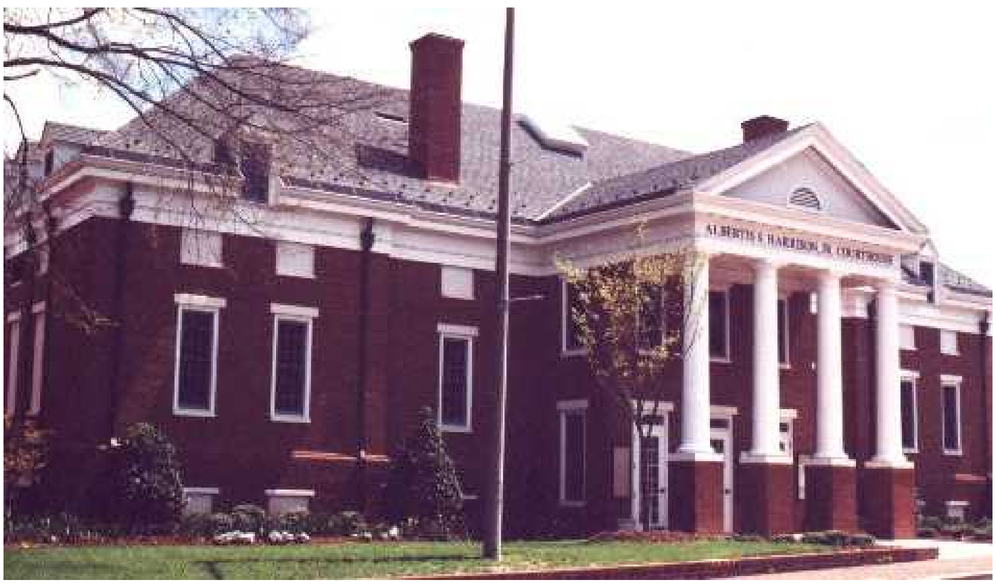
# County of Brunswick, Virginia



# Financial Report
# Year Ended June 30, 2014

# County of Brunswick, Virginia

# Financial Report

# For The Year Ended June 30, 2014

**COUNTY OF BRUNSWICK, VIRGINIA**

Financial Report
For the Year Ended June 30, 2014

**TABLE OF CONTENTS**

## TABLE OF CONTENTS

**COUNTY OF BRUNSWICK, VIRGINIA**

Financial Report
For the Year Ended June 30, 2014

**TABLE OF CONTENTS**

## BOARD OF SUPERVISORS

Bernard L. Jones, Sr., Chairman

| | |
|---|---|
| Barbara J. Drummond | John Cataldo |
| Welton Tyler | Denise C. Williams |

## COUNTY SOCIAL SERVICES BOARD

Michelle Talbert, Chairman

| | |
|---|---|
| Dolores S. Webster | Jean Moody |
| Tracie Seward | Denise C. Williams |
| Saundra Shye | |

## COUNTY SCHOOL BOARD

Dr. Carolyn P. Jones, Chairman

| | |
|---|---|
| Roy F. Warwick | Timothy Puryear |
| Floyd A. Moore, Jr. | JoAnn Anderson |

## OTHER OFFICIALS

| | |
|---|---|
| Judge of the Circuit Court | Nathan C. Lee |
| Chief Judge for 6th Judicial Circuit Court | W. Allen Sharrett |
| Clerk of the Circuit Court | V. Earl Stanley, Jr. |
| Commonwealth's Attorney | Lezlie S. Green |
| Commissioner of the Revenue | Wanda J. Beville |
| Treasurer | Alice C. Maitland |
| Sheriff | Brian K. Roberts |
| Superintendent of Schools | Dr. Oliver W. Spencer, Jr.<br>Dora G. Wynn as of 7/1/14 |
| Director of Social Services | Debbie Burkett |
| County Administrator | Dr. Charlette T. Woolridge |
| Chief Judge of the General District Court | Stephen Bloom |
| Chief Judge of the Juvenile and Domestic Relations Court | Carson E. Saunders, Jr. |
| Clerk of the School Board | Betty Macklin |

## Independent Auditors' Report

**The Honorable Members of**
**The Board of Supervisors**
**County of Brunswick, Virginia**

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Brunswick, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise County of Brunswick, Virginia's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Brunswick, Virginia, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress on pages 3-8, 60-61 and 62-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Brunswick, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of County of Brunswick, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Brunswick, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 5, 2014

**To the Citizens of Brunswick, County**
**County of Brunswick, Virginia**

As management of County of Brunswick, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014.

## Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities at the close of the most recent fiscal year by $13,153,324 (net position), a decrease of $1,756,556 from the prior year.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, revenues and other financing sources exceeded expenditures and other financing uses by $1,122,794 (Exhibit 5) after making contributions totaling $4,366,436 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of $15,751,963, an increase of $1,122,794 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $10,562,775 or 67% of total general fund expenditures.

- Combined long-term obligations for the governmental funds increased $4,209,376 during the current fiscal year. Principal repayments were offset by a Lease revenue bond of $5,175,000 that was issued to fund the Industrial Development Authority's Route 58 water/wastewater project.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

**Overview of the Financial Statements: (Continued)**

The statement of net position presents information on all of the County's a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government administration, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only County of Brunswick, Virginia itself (known as the primary government), but also a legally separate school district for which County of Brunswick, Virginia is financially accountable and a legally separate industrial development authority for which the County appoints a majority of its board members. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. County of Brunswick, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental and fiduciary funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund, the Virginia Public Assistance Fund, the Debt Service Fund, the County Capital Improvements Fund, and the Debt Financed School Capital Projects Fund.

Proprietary Funds – Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. The County has no Proprietary Funds.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

**Overview of the Financial Statements: (Continued)**

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and the schedule of pension funding progress for the Virginia Retirement System and other postemployment benefits. Other supplementary information presented includes various combining financial statements for the County's non-major funds and the discretely presented component unit - School Board, supporting schedules, and statistical information. The School Board does not issue separate financial statements. The Component Unit IDA's statements can be obtained by contacting the Authority's Executive Director, 116 West Hicks Street, Lawrenceville, VA 23868.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities by $13,153,324 at the close of the most recent fiscal year.

**Summary Statement of Net Position**

| | Governmental Activities | |
|---|---|---|
| | **2014** | **2013** |
| Current and other assets | $ 17,064,467 | $ 16,039,411 |
| Capital assets | 16,546,780 | 15,142,837 |
| Total assets | $ 33,611,247 | $ 31,182,248 |
| Deferred outflows of resources | $ 42,670 | $ 63,878 |
| Long-term liabilities | $ 19,351,409 | $ 15,142,033 |
| Current liabilities | 1,149,184 | 1,194,213 |
| Total liabilities | $ 20,500,593 | $ 16,336,246 |
| Net position: | | |
| Net investment in capital assets | $ 4,538,692 | $ 5,231,687 |
| Restricted | 527,734 | 622,448 |
| Unrestricted | 8,086,898 | 9,055,745 |
| Total net position | $ 13,153,324 | $ 14,909,880 |

At the end of the current fiscal year, the County's net investment in capital assets was $4,538,692. The County uses these capital assets to provide services to citizens: therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Government-wide Financial Analysis: (Continued)**

Governmental Activities - Governmental activities decreased the County's net position by $1,756,556.

**Summary Statement of Change in Net Position**

| | Governmental Activities | |
|---|---|---|
| | **2014** | **2013** |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | $ 1,630,651 | $ 1,867,072 |
| Operating grants and contributions | 4,160,447 | 4,018,912 |
| Capital grants and contributions | 392,015 | 1,011,564 |
| General revenues: | | |
| General property taxes | 9,313,663 | 9,372,346 |
| Other local taxes | 4,033,028 | 1,619,833 |
| Grants and other contributions not restricted | 1,867,531 | 1,788,436 |
| Use of money and property | 122,685 | 203,654 |
| Miscellaneous | 213,594 | 88,291 |
| Total revenues | $ 21,733,614 | $ 19,970,108 |
| Expenses: | | |
| General government administration | $ 1,648,242 | $ 1,505,451 |
| Judicial administration | 1,414,529 | 1,312,334 |
| Public safety | 6,487,385 | 6,574,329 |
| Public works | 1,339,319 | 1,408,843 |
| Health and welfare | 2,659,973 | 2,465,150 |
| Education | 5,063,297 | 5,871,279 |
| Parks, recreation, and cultural | 259,810 | 252,293 |
| Community development | 3,813,096 | 1,570,574 |
| Interest on long-term debt | 800,519 | 519,431 |
| Total expenses | $ 23,486,170 | $ 21,479,684 |
| Increase (decrease) in net assets before transfers | $ (1,752,556) | $ (1,509,576) |
| Transfers | (4,000) | - |
| Increase (decrease) in net position | $ (1,756,556) | $ (1,509,576) |
| Net position, July 1 | 14,909,880 | 16,419,456 |
| Net position, June 30 | $ 13,153,324 | $ 14,909,880 |

## Government-wide Financial Analysis: (Continued)

Key elements of this decrease are as follows:

Total revenues increased by $1,763,506 over the prior year. The construction of a new Dominion Virginia Power Plant in the County resulted in an increase in local sales tax, which was the driving factor in the $2,413,195 increase in other local taxes. Most other revenues showed modest changes with the exception of a $619,549 decrease in capital grants. In the prior year, the sheriff's department received a federal grant of $316,000 to purchase an armored truck.

Total expenses increased by $2,006,486 over the prior year. The function with the most significant increase ($2,242,522) was community development. Several CDBG projects have been ongoing for the past several years, but they were substantially complete in fiscal year 2014. However, the County is funding the Industrial Development Authority's Route 58 water/wastewater project. The IDA will own water and sewer lines that will be operated and maintained by Town of Lawrenceville, Virginia. The Education function showed the largest decrease ($807,982). Reduced federal funding led to reduced personnel costs, due to the completion of the school improvement grant. The School Board over-expended their budget in fiscal years 2012 and 2013. The amount overspent in 2012 is being repaid over a three year period. Other functions showed modest changes.

## Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of $15,751,963, an increase of $1,122,794 in comparison with the prior year. Approximately 67% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is segregated to indicate that it is not available for new spending because it has already been committed or assigned.

## General Fund Budgetary Highlights

The difference between the original budget and the final amended budget of the general fund was an increase of $652,991 in expenditures and can be briefly summarized as follows:

- $487,691 in increases for public safety
- $124,083 in increases for public works
- $107,835 in decreases for education
- $149,052 in other increases

Of this increase, $250,000 was to be funded from fines and forfeitures. The remaining $402,991 was to be budgeted from available fund balance and other revenue increases. During the year, however, expenditures were less than budgetary estimates by $262,142, thus eliminating the need to draw upon existing fund balance.

## Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2014 amounted to $16,546,780 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. The County's capital assets increased by $2,110,498 during the current fiscal year, while accumulated depreciation increased by $706,555, resulting in a net increase of $1,403,943. The Byways Visitor Center Project was still in progress at year end. This project is being funded by a VDOT and Tobacco grant.

Additional information on the County's capital assets can be found in note 7 of this report.

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of $19,351,409 for its governmental operations. Of this amount $8,447,380 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations ($10,904,029) represents bonds secured solely by specified revenue sources (i.e., revenue bonds and QZABs).

The County's total debt outstanding increased by $4,209,376 during the current fiscal year. The increase includes the issuance of $5,175,000 in lease revenue bonds to fund the Industrial Development Authority's Route 58 water/wastewater project. Installments due on the new bond are being capitalized through October 1, 2015, meaning payments are funded by the bond proceeds. Required payments made on outstanding principal balances reduced the full impact of the issuance.

Additional information on County of Brunswick, Virginia's long-term debt can be found in Note 9 of this report.

## Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 9.2 percent, which is a decrease from a rate of 10.3 percent a year ago. This is the 5th highest unemployment rate in the state, for which the average unemployment rate is 5.8 percent and it is higher than the national average rate of 5.8 percent.

- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year.

The County's fiscal year 2015 budget amounted to $18,158,406 (net of interfund transfers and transfers to the Component Unit School Board and does not include expenditures of the Component Unit School Board).

## Requests for Information

This financial report is designed to provide a general overview of the County of Brunswick, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 102 Tobacco Street, P.O. Box 399, Lawrenceville, Virginia 23868.

# Basic Financial Statements

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# Government-wide Financial Statements

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Statement of Net Position
June 30, 2014

| | Primary Government | Component Units | |
|---|---|---|---|
| | Governmental Activities | School Board | IDA |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 10,168,723 | $ 1,139,813 | $ 4,046,628 |
| Receivables (net of allowance for uncollectibles): | | | |
| Taxes receivable | 458,779 | - | - |
| Accounts receivable | 162,631 | 31,492 | 69,597 |
| Due from component units | 500,000 | - | - |
| Due from other governmental units | 2,069,557 | 1,137,676 | 30,240 |
| Inventories | 2,377 | - | - |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash and cash equivalents | 2,260,620 | - | 225,178 |
| Investments (in custody of others) | 1,441,780 | - | - |
| Other assets: | | | |
| Land and improvements held for sale | - | - | 2,735,340 |
| Investment in industrial assets | - | - | 7,301,646 |
| Leases receivable | - | - | 650,999 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 726,874 | 25,822 | 39,142 |
| Buildings and improvements | 14,144,806 | 6,245,701 | 126,189 |
| Machinery, equipment, and vehicles | 1,242,008 | 857,250 | - |
| Intangibles | 181,166 | - | - |
| Construction in progress | 251,926 | - | - |
| Total assets | $ 33,611,247 | $ 9,437,754 | $ 15,224,959 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred charge on refunding | $ 42,670 | $ - | $ - |
| **LIABILITIES** | | | |
| Accounts payable | $ 337,636 | $ 95,410 | $ 10,956 |
| Accrued liabilities | - | 1,929,447 | - |
| Contracts payable | 37,223 | - | - |
| Retainage payable | 61,370 | - | 151,426 |
| Escrow accounts | - | - | 31,407 |
| Accrued interest payable | 712,955 | - | - |
| Due to primary government | - | - | 500,000 |
| Long-term liabilities: | | | |
| Due within one year | 1,309,422 | 57,456 | 237,724 |
| Due in more than one year | 18,041,987 | 828,484 | 813,066 |
| Total liabilities | $ 20,500,593 | $ 2,910,797 | $ 1,744,579 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred gain on sale-leaseback | $ - | $ - | $ 89,931 |
| **NET POSITION** | | | |
| Net investment in capital assets | $ 4,538,692 | $ 7,128,773 | $ 6,416,187 |
| Restricted: | | | |
| Anti-litter | 241 | - | - |
| Law library | 22,598 | - | - |
| Drug enforcement | 137,696 | - | - |
| Courthouse maintenance | 62,244 | - | - |
| Courthouse security | 282,720 | - | - |
| CSA administration | 22,235 | - | - |
| Unrestricted (deficit) | 8,086,898 | (601,816) | 6,974,262 |
| Total net position | $ 13,153,324 | $ 6,526,957 | $ 13,390,449 |

The notes to the financial statements are an integral part of this statement.

**COUNTY OF BRUNSWICK, VIRGINIA**

Statement of Activities
For the Year Ended June 30, 2014

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **PRIMARY GOVERNMENT:** | | | | |
| Governmental activities: | | | | |
| General government administration | $ 1,648,242 | $ 65,329 | $ 232,314 | $ - |
| Judicial administration | 1,414,529 | 1,129,713 | 536,292 | - |
| Public safety | 6,487,385 | 32,610 | 1,325,439 | - |
| Public works | 1,339,319 | 388,495 | 17,740 | - |
| Health and welfare | 2,659,973 | - | 2,043,662 | - |
| Education | 5,063,297 | - | - | 60,343 |
| Parks, recreation, and cultural | 259,810 | 12,598 | 5,000 | 193,219 |
| Community development | 3,813,096 | 1,906 | - | 138,453 |
| Interest on long-term debt | 800,519 | - | - | - |
| Total governmental activities | $ 23,486,170 | $ 1,630,651 | $ 4,160,447 | $ 392,015 |
| **COMPONENT UNITS:** | | | | |
| School Board | $ 22,181,540 | $ 211,849 | $ 16,461,550 | $ - |
| Industrial Development Authority | 10,636,995 | 330,092 | 10,546,748 | - |
| Total component units | $ 32,818,535 | $ 541,941 | $ 27,008,298 | $ - |

General revenues:
- General property taxes
- Local sales and use taxes
- Consumer's utility taxes
- Motor vehicle licenses
- Other local taxes
- Payment from County of Brunswick
- Unrestricted revenues from use of money and property
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Gain on disposal of capital assets

Transfers
- Total general revenues and transfers

Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|
| Primary Government | Component Units | |
| Governmental Activities | School Board | IDA |
| $ (1,350,599) | | |
| 251,476 | | |
| (5,129,336) | | |
| (933,084) | | |
| (616,311) | | |
| (5,002,954) | | |
| (48,993) | | |
| (3,672,737) | | |
| (800,519) | | |
| $ (17,303,057) | | |
| | | |
| | $ (5,508,141) | $ - |
| | - | 239,845 |
| | $ (5,508,141) | $ 239,845 |
| | | |
| $ 9,313,663 | $ - | $ - |
| 3,277,894 | - | - |
| 255,433 | - | - |
| 331,336 | - | - |
| 168,365 | - | - |
| - | 5,022,720 | 3,424,733 |
| 122,685 | 200 | 23,045 |
| 213,594 | 436,124 | - |
| 1,867,531 | - | - |
| - | - | 1,500 |
| (4,000) | - | - |
| $ 15,546,501 | $ 5,459,044 | $ 3,449,278 |
| (1,756,556) | (49,097) | 3,689,123 |
| 14,909,880 | 6,576,054 | 9,701,326 |
| $ 13,153,324 | $ 6,526,957 | $ 13,390,449 |

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# Fund Financial Statements

**COUNTY OF BRUNSWICK, VIRGINIA**

Balance Sheet
Governmental Funds
June 30, 2014

| | General | Virginia Public Assistance | Debt Service | County Capital Improvements |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 9,237,063 | $ - | $ 928,821 | $ - |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes receivable | 458,779 | - | - | - |
| Accounts receivable | 152,338 | - | - | - |
| Due from other funds | 138,414 | - | - | - |
| Due from component unit | 500,000 | - | - | - |
| Due from other governmental units | 1,797,476 | 135,693 | - | 68,595 |
| Inventories | - | - | - | - |
| Restricted assets: | | | | |
| Temporarily restricted: | | | | |
| Cash and cash equivalents | - | - | - | 2,260,620 |
| Investments | - | - | 1,441,780 | - |
| Total assets | $ 12,284,070 | $ 135,693 | $ 2,370,601 | $ 2,329,215 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 263,938 | $ 7,651 | $ - | $ 11,847 |
| Contracts payable | - | - | - | 37,223 |
| Retainage payable | - | - | - | 61,370 |
| Accrued interest payable | - | - | 499,797 | - |
| Due to other funds | - | 128,042 | - | 5,882 |
| Total liabilities | $ 263,938 | $ 135,693 | $ 499,797 | $ 116,322 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue - property taxes | $ 376,478 | $ - | $ - | $ - |
| **FUND BALANCES** | | | | |
| Nonspendable: | | | | |
| Inventories | $ - | $ - | $ - | $ - |
| Long-term loans and advances | 500,000 | - | - | - |
| Restricted: | | | | |
| Anti-litter | 241 | - | - | - |
| Law library | 22,598 | - | - | - |
| Drug enforcement | 137,696 | - | - | - |
| Courthouse maintenance | 62,244 | - | - | - |
| Courthouse security | 282,720 | - | - | - |
| Debt service funds - QZABs | - | - | 941,983 | - |
| CSA administration | - | - | - | - |
| Committed: | | | | |
| Historic Courthouse renovations | - | - | - | 405,985 |
| Rt 58 water/wastewater infrastructure | - | - | - | 1,755,912 |
| Debt service funds | - | - | 928,821 | - |
| Carryover contribution to School Board | 53,000 | - | - | - |
| Assigned: | | | | |
| DMV Select | 16,079 | - | - | - |
| Water safety | 6,301 | - | - | - |
| Other capital projects | - | - | - | 50,996 |
| Unassigned: | | | | |
| General fund | 10,562,775 | - | - | - |
| Total fund balances | $ 11,643,654 | $ - | $ 1,870,804 | $ 2,212,893 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 12,284,070 | $ 135,693 | $ 2,370,601 | $ 2,329,215 |

The notes to the financial statements are an integral part of this statement.

Exhibit 3

| DF School Capital Projects | Other Governmental Funds | Total |
|---|---|---|
| $ - | $ 2,839 | $ 10,168,723 |
| | | |
| - | - | 458,779 |
| - | 10,293 | 162,631 |
| - | - | 138,414 |
| - | - | 500,000 |
| - | 67,793 | 2,069,557 |
| - | 2,377 | 2,377 |
| | | |
| - | - | 2,260,620 |
| - | - | 1,441,780 |
| $ - | $ 83,302 | $ 17,202,881 |
| | | |
| $ - | $ 54,200 | $ 337,636 |
| - | - | 37,223 |
| - | - | 61,370 |
| - | - | 499,797 |
| - | 4,490 | 138,414 |
| $ - | $ 58,690 | $ 1,074,440 |
| | | |
| $ - | $ - | $ 376,478 |
| | | |
| $ - | $ 2,377 | $ 2,377 |
| - | - | 500,000 |
| | | |
| - | - | 241 |
| - | - | 22,598 |
| - | - | 137,696 |
| - | - | 62,244 |
| - | - | 282,720 |
| - | - | 941,983 |
| - | 22,235 | 22,235 |
| | | |
| - | - | 405,985 |
| - | - | 1,755,912 |
| - | - | 928,821 |
| - | - | 53,000 |
| | | |
| - | - | 16,079 |
| - | - | 6,301 |
| - | - | 50,996 |
| | | |
| - | - | 10,562,775 |
| $ - | $ 24,612 | $ 15,751,963 |
| $ - | $ 83,302 | $ 17,202,881 |

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2014

| | | | | |
|---|---|---|---|---|
| Amounts reported for governmental activities in the statement of net position are different because: | | | | |
| Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds | | | $ | 15,751,963 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | |
| Land | $ | 726,874 | | |
| Buildings and improvements | | 14,144,806 | | |
| Machinery, equipment, and vehicles | | 1,242,008 | | |
| Intangibles | | 181,166 | | |
| Construction in progress | | 251,926 | | 16,546,780 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. | | | | 376,478 |
| The deferred charge on refunding is to be amortized as interest expense over the life of the debt. | | | | 42,670 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Lease revenue bonds | $ | (9,090,800) | | |
| General obligation bonds | | (6,488,959) | | |
| Plus: Premium on issuance | | (93,894) | | |
| Qualified zone academy bonds | | (1,813,229) | | |
| Landfill closure/postclosure liability | | (599,954) | | |
| Early retirement incentive costs | | (320,100) | | |
| Brodnax sewer capacity agreement | | (183,456) | | |
| Compensated absences | | (587,697) | | |
| Net OPEB obligation | | (173,320) | | |
| Accrued interest payable | | (213,158) | | (19,564,567) |
| Net position of governmental activities | | | $ | 13,153,324 |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

| | General | Virginia Public Assistance | Debt Service | County Capital Improve-ments | DF School Capital Projects | Other Govern-mental Funds | Total |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| General property taxes | $ 9,338,344 | $ - | $ - | $ - | $ - | $ - | $ 9,338,344 |
| Other local taxes | 4,033,028 | - | - | - | - | - | 4,033,028 |
| Permits, privilege fees, and regulatory licenses | 88,964 | - | - | - | - | - | 88,964 |
| Fines and forfeitures | 908,216 | - | - | - | - | - | 908,216 |
| Revenue from the use of money and property | 72,622 | - | 41,992 | 5,603 | 68 | 2,400 | 122,685 |
| Charges for services | 631,040 | - | - | - | - | 2,431 | 633,471 |
| Miscellaneous | 203,273 | 1,740 | - | 483 | - | 8,098 | 213,594 |
| Recovered costs | 267,236 | - | - | - | - | 10,169 | 277,405 |
| Intergovernmental: | | | | | | | |
| Commonwealth | 3,931,832 | 541,065 | - | 64,520 | - | 426,235 | 4,963,652 |
| Federal | 96,029 | 1,022,906 | 60,343 | 267,152 | - | 9,911 | 1,456,341 |
| Total revenues | $ 19,570,584 | $ 1,565,711 | $ 102,335 | $ 337,758 | $ 68 | $ 459,244 | $ 22,035,700 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| General government administration | $ 1,426,940 | $ - | $ - | $ - | $ - | $ - | $ 1,426,940 |
| Judicial administration | 1,413,644 | - | - | - | - | - | 1,413,644 |
| Public safety | 5,886,851 | - | - | 455,838 | - | - | 6,342,689 |
| Public works | 1,445,137 | - | - | 206,555 | - | 34,764 | 1,686,456 |
| Health and welfare | 152,472 | 1,889,656 | - | - | - | 607,820 | 2,649,948 |
| Education | 4,333,595 | - | - | 75,992 | - | - | 4,409,587 |
| Parks, recreation, and cultural | 231,885 | - | - | 1,389 | - | - | 233,274 |
| Community development | 362,519 | - | - | 3,324,923 | - | - | 3,687,442 |
| Capital projects | 7,500 | - | - | 2,299,099 | 162,524 | - | 2,469,123 |
| Debt service: | | | | | | | |
| Principal retirement | 431,752 | - | 566,187 | - | - | - | 997,939 |
| Interest and other fiscal charges | 134,748 | - | 387,273 | 92,767 | - | - | 614,788 |
| Issuance costs | - | - | - | 152,076 | - | - | 152,076 |
| Total expenditures | $ 15,827,043 | $ 1,889,656 | $ 953,460 | $ 6,608,639 | $ 162,524 | $ 642,584 | $ 26,083,906 |
| Excess (deficiency) of revenues over (under) expenditures | $ 3,743,541 | $ (323,945) | $ (851,125) | $ (6,270,881) | $ (162,456) | $ (183,340) | $ (4,048,206) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | |
| Transfers in | $ - | $ 323,945 | $ 761,218 | $ 453,162 | $ - | $ 181,866 | $ 1,720,191 |
| Transfers out | (1,724,191) | - | - | - | - | - | (1,724,191) |
| Issuance of general obligation bonds | - | - | - | 5,175,000 | - | - | 5,175,000 |
| Total other financing sources (uses) | $ (1,724,191) | $ 323,945 | $ 761,218 | $ 5,628,162 | $ - | $ 181,866 | $ 5,171,000 |
| Net change in fund balances | $ 2,019,350 | $ - | $ (89,907) | $ (642,719) | $ (162,456) | $ (1,474) | $ 1,122,794 |
| Fund balances - beginning | 9,624,304 | - | 1,960,711 | 2,855,612 | 162,456 | 26,086 | 14,629,169 |
| Fund balances - ending | $ 11,643,654 | $ - | $ 1,870,804 | $ 2,212,893 | $ - | $ 24,612 | $ 15,751,963 |

The notes to the financial statements are an integral part of this statement.

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

| | | | | |
|---|---|---|---|---|
| Net change in fund balances - total governmental funds | | | $ | 1,122,794 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. | | | | |
| Capital asset additions | $ | 2,652,400 | | |
| Depreciation | | (757,271) | | |
| Adjustment for jointly owned assets | | (375,089) | | |
| Depreciation adjustment for jointly owned assets | | (116,097) | | 1,403,943 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds. | | | | (24,681) |
| The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items. | | | | |
| Amortization of premium on issuance | $ | 15,581 | | |
| Issuance of bonds | | (5,175,000) | | |
| Payment of principal | | 997,939 | | |
| Increase in landfill closure/postclosure care liability | | (8,283) | | (4,169,763) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. | | | | |
| Compensated absences | $ | (8,323) | | |
| Net OPEB obligation | | (31,290) | | |
| Amortization of deferred charge on refunding | | (21,207) | | |
| Accrued interest payable | | (28,029) | | (88,849) |
| Change in net position of governmental activities | | | $ | (1,756,556) |

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

| | | Agency Funds |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ | 29,212 |
| Total assets | $ | 29,212 |
| **LIABILITIES** | | |
| Amounts held for social services clients | $ | 774 |
| Amounts held for others | | 5,683 |
| Escrow deposits payable | | 22,755 |
| Total liabilities | $ | 29,212 |

The notes to the financial statements are an integral part of this statement.

## Note 1–Summary of Significant Accounting Policies:

The County of Brunswick, Virginia was formed in 1720 and is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection; sanitation services; recreational activities; cultural events; education and social services.

The financial statements of the County of Brunswick, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board, and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The statement of net position is designed to display the financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets, in the government-wide statement of net position and will report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## Note 1–Summary of Significant Accounting Policies: (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Budgetary comparison information is included in the annual report, including the government's original budget and a comparison of final budget and actual results.

### A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Brunswick, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

### B. Individual Component Unit Disclosures

*Blended Component Unit*. The County has no blended component units to be included for the fiscal year ended June 30, 2014.

The School Board members are elected by the citizens of Brunswick County and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2014.

The Brunswick County Industrial Development Authority assists in promoting Brunswick County for Industrial Development. The Authority is comprised of members that are appointed by the County's Board of Supervisors. Accordingly, the Authority is considered a component unit of the County and is included as a discrete presentation in the County's financial report. A complete set of financial statements for the Industrial Development Authority is available from the Authority.

**Note 1–Summary of Significant Accounting Policies: (Continued)**

## C. Other Related Organizations

Included in the County's Financial Report: None

Excluded from the County's Financial Report:

Jointly Governed Organizations

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representatives from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Greensville and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints five (5) of the ten (10) members of the Board. The County provided $184,481 in operating funds to the Library in 2014.

Southside Community Services Board

The Board, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. Brunswick County contributed $43,448 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2014.

Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The regional jail bills each participating locality a per diem rate based upon the number of inmates housed at the facility. The per diem rates include components for both operating and debt service expenses. Brunswick County paid $2,244,379 to the Jail for the fiscal year ended June 30, 2014.

**Note 1–Summary of Significant Accounting Policies: (Continued)**

**C. Other Related Organizations: (Continued)**

Obtaining of Financial Statements for Jointly Governed Organizations

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Brunswick, Virginia, County Administrator, P.O. Box 399, 102 Tobacco Street, Lawrenceville, VA 23868.

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

## Note 1–Summary of Significant Accounting Policies: (Continued)

### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

b. Special Revenue Funds

The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds consist of the Virginia Public Assistance Fund, the Airport Commission Fund, and the Comprehensive Services Act Fund. Only the Virginia Public Assistance Fund is considered a major fund at June 30, 2014.

c. Capital Projects Fund

The Capital Projects Funds account for and report all financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The county capital improvements and debt financed school capital projects funds are considered major funds.

d. Debt Service Fund

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The school debt service fund is considered a major fund.

**Note 1–Summary of Significant Accounting Policies: (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)**

2. Fiduciary Funds (Trust and Agency Funds)

   Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds consisting of the special welfare fund, sheriff funds, and the bond escrow fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

3. Component Unit:

   The Brunswick County School Board has the following funds:

   Governmental Funds:

   School Operating Fund – This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Brunswick and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

   Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

   School Cafeteria Fund – This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

   Capital Projects Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

   School Capital Projects Fund – This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

**E. Budgets and Budgetary Accounting**

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

## Note 1–Summary of Significant Accounting Policies: (Continued)

### E. Budgets and Budgetary Accounting: (Continued)

4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Comprehensive Services Act Fund, VPA Fund, Airport Fund, the General Capital Projects Fund and the Debt Service Fund of the primary government and the School Fund, School Cafeteria Fund and School Capital Projects Fund of the School Board.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Appropriations lapse on June 30, for all county units.

8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.

9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following the procedures used in the adoption of the original budget. There were various budget amendments during the year that exceeded the 1% limitation. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

10. The School Board over expended its local funds in FY12 by $522,805. This amount is to be reimbursed to the County over three fiscal years beginning FY13-14. In FY13 local funds in excess of $335,075 were expended, which were factored into the FY14 operating budget. Subsequent action taken by the board has resolved the FY13 issue.

### F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

### G. Investments

Investments are stated at fair value. Restricted investments include amounts set aside in a sinking fund to repay qualified zone academy bonds. Under the terms of the Forward Delivery Agreement, the County will invest the Sinking Fund Deposit in securities delivered by Bank of America via payment through a 3rd party custodian for a guaranteed fixed rate of return as outlined in the Funding Agreement. The Sinking Fund will be invested in legal investments for public sinking funds under the Virginia Investment of Public Funds Act. Related to the QZABs, annual deposits of $56,896 and $78,893 will be made into sinking funds earning interest at 3.2% and 2.0%, respectively resulting in $1,077,000 and $1,536,671, respectively at maturity to satisfy the outstanding obligations.

## Note 1–Summary of Significant Accounting Policies: (Continued)

### H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $150,200 at June 30, 2014 and is comprised solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. The County bills and collects its own property taxes.

### I. Capital Assets

Capital assets, which include property, plant and equipment, and intangibles are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County and School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment and intangibles of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Building improvements | 20-40 |
| Buildings | 40 |
| Buses | 8 |
| Intangibles | 35-40 |
| Office and computer equipment | 5 |
| Police vehicles | 3 |
| Vehicles | 5 |

## Note 1–Summary of Significant Accounting Policies: (Continued)

### J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

An estimate of ten percent of the liability has been classified as current in the government-wide financial statements.

### K. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

### L. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

**Note 1–Summary of Significant Accounting Policies: (Continued)**

**L. Fund Equity: (Continued)**

When fund balance resources are available for a specific purpose in more than one classification, it is generally the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance/resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes) or other official to which the Board has delegated the authority to assign amounts including but limited to the County Administrator and the Director of Finance.

**M. Inventories and Prepaid Items**

All inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the Airport Fund consists of fuel held for sale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**N. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Note 1–Summary of Significant Accounting Policies: (Continued)**

### P. Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

### Q. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### R. Upcoming Pronouncements

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County believes the implementation of Statement No. 68 will significantly impact the County's net position; however, no formal study or estimate of the impact of this standard has been performed.

**Note 2–Cash and Cash Equivalents:**

### Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

## Note 2–Cash and Cash Equivalents: (Continued)

### Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

### Custodial Credit Risk (Investments)

The County's investments at June 30, 2014 were held in the County's name by the County's custodial banks.

### Credit Risk of Debt Securities

The County's policy stipulates that investments in prime quality institutions must be rated no lower than A-1 by Standard & Poor's Inc., no lower than AA by Moody's Investors Service, Inc., and no lower than Aa by Moody's. Investments in high quality corporate notes must be rated no lower than AA by Standard & Poor's and no lower than Aa by Moody's.

The County's and IDA's rated debt investments as of June 30, 2014 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

**Rated Debt Investments' Values**

| Rated Debt Investments | Fair Quality Ratings |
|---|---|
| | AAAm |
| Governmental Activities: | |
| Local government investment pool | $ 3,559 |
| | AAAm |
| Component Unit Industrial Development Authority: | |
| Local government investment pool | $ 364,488 |

### Interest Rate Risk

The County's investment policy concerning interest rate risk stipulates that unless matched to a specific cash flow, the County will not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. There were no investments with interest rate risk at year-end.

### External Investment Pool

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

## Note 3–Property Taxes:

Real property taxes are assessed on property values as of January 1, and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed based on ownership as of January 1.

Real estate and personal property taxes are due on December 5.

A ten percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2013 were levied by the County Board of Supervisors on June 19, 2013, on the assessed value listed as of January 1, 2013.

Property taxes levied in the prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. The receivables collected during the fiscal year and during the first 60 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as deferred inflows of resources.

## Note 4–Receivables:

Receivables at June 30, 2014 consist of the following:

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | | | | |
| | General | Special Revenue | Total | School Board | IDA |
| Property taxes | $ 608,979 | $ - | $ 608,979 | $ - | $ - |
| Allowance for uncollectibles | (150,200) | - | (150,200) | - | - |
| Net taxes receivable | $ 458,779 | $ - | $ 458,779 | $ - | $ - |
| Accounts receivable: | | | | | |
| Landfill host fees | $ 46,813 | $ - | $ 46,813 | $ - | $ - |
| Landfill inspection costs | 40,355 | - | 40,355 | - | - |
| Utility and consumption taxes | 24,450 | - | 24,450 | - | - |
| Airport recovery | - | 10,293 | 10,293 | - | - |
| Expenditure refunds | - | - | - | 5,509 | - |
| Other | 40,720 | - | 40,720 | 25,983 | 69,597 |
| Total accounts receivable | $ 152,338 | $ 10,293 | $ 162,631 | $ 31,492 | $ 69,597 |
| Leases receivable: | | | | | |
| Social Services | $ - | $ - | $ - | $ - | $ 276,267 |
| Ackerman | - | - | - | - | 374,732 |
| Total leases receivable | $ - | $ - | $ - | $ - | $ 650,999 |

As of June 30, 2014, the Ackerman lease had a past due balance of $45,015.

## Note 5–Due To/From Component Units:

| Payable Entity | Amount |
|---|---|
| Component-Unit Industrial Development Authority | $ 500,000 |

See Note 21 for further details.

## Note 6–Due From Other Governmental Units:

At June 30, 2014, the County has receivables from other governments as follows:

| | Governmental Activities | | | | Component Units | |
|---|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Total | School Board | IDA |
| **Commonwealth of Virginia:** | | | | | | |
| Local sales taxes | $ 1,464,193 | $ - | $ - | $ 1,464,193 | $ - | $ - |
| State sales taxes | - | - | - | - | 392,968 | - |
| Communication sales taxes | 70,971 | - | - | 70,971 | - | - |
| Public assistance | - | 45,136 | - | 45,136 | - | - |
| Comprehensive services | - | 67,793 | - | 67,793 | - | - |
| Shared expenses and grants | 208,936 | - | - | 208,936 | - | - |
| Mobile home titling | 10,306 | - | - | 10,306 | - | - |
| Fire program funds | 7,313 | - | - | 7,313 | - | - |
| Victim witness | 15,689 | - | - | 15,689 | - | - |
| Tobacco grant | - | - | - | - | - | 30,240 |
| Technology initiative grant | - | - | - | - | 128,329 | - |
| Other | 15,703 | - | - | 15,703 | - | - |
| **Federal government:** | | | | | | |
| FEMA - emergency mgnt | 2,942 | - | - | 2,942 | - | - |
| Public assistance | - | 90,557 | - | 90,557 | - | - |
| CDBG funds | - | - | 52,502 | 52,502 | - | - |
| VDOT grant | - | - | 16,093 | 16,093 | - | - |
| Title I | - | - | - | - | 282,228 | - |
| Title VI-B | - | - | - | - | 146,259 | - |
| Teacher quality | - | - | - | - | 67,924 | - |
| Vocational education | - | - | - | - | 14,354 | - |
| Nutrition | - | - | - | - | 59,421 | - |
| Other | 1,423 | - | - | 1,423 | 46,193 | - |
| Total | $ 1,797,476 | $ 203,486 | $ 68,595 | $ 2,069,557 | $ 1,137,676 | $ 30,240 |

## Note 7–Capital Assets:

The following is a summary of changes in the capital assets during the year:

**Primary Government:**

| | Balance July 1, 2013 | Increases | Decreases | Balance June 30, 2014 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 717,374 | $ 9,500 | $ - | $ 726,874 |
| Construction in Progress | 982,404 | 2,002,184 | 2,732,662 | 251,926 |
| Total capital assets not being depreciated | $ 1,699,778 | $ 2,011,684 | $ 2,732,662 | $ 978,800 |
| Other capital assets: | | | | |
| Buildings and improvements | $ 9,205,783 | $ 2,814,915 | $ - | $ 12,020,698 |
| Machinery, equipment and vehicles | 3,918,296 | 558,463 | 166,813 | 4,309,946 |
| Intangibles | 344,214 | - | - | 344,214 |
| Jointly owned assets | 8,677,277 | 165,098 | 540,187 | 8,302,188 |
| Total other capital assets | $ 22,145,570 | $ 3,538,476 | $ 707,000 | $ 24,977,046 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | $ 4,124,021 | $ 300,632 | $ - | $ 4,424,653 |
| Machinery, equipment and vehicles | 2,787,170 | 447,581 | 166,813 | 3,067,938 |
| Intangibles | 153,990 | 9,058 | - | 163,048 |
| Jointly owned assets | 1,637,330 | 241,805 | 125,708 | 1,753,427 |
| Total accumulated depreciation | $ 8,702,511 | $ 999,076 | $ 292,521 | $ 9,409,066 |
| Other capital assets, net | $ 13,443,059 | $ 2,539,400 | $ 414,479 | $ 15,567,980 |
| Net capital assets | $ 15,142,837 | $ 4,551,084 | $ 3,147,141 | $ 16,546,780 |

Capital assets include idle assets with a carrying value of $23,843 as of June 30, 2014.

| Depreciation is allocated to: | |
|---|---|
| General government administration | $ 191,729 |
| Public safety | 426,403 |
| Public works | 90,490 |
| Health and welfare | 22,112 |
| Education | 241,805 |
| Parks and recreation | 26,537 |
| Total | $ 999,076 |

## Note 7–Capital Assets: (Continued)

### Component Unit-School Board:

| | Balance July 1, 2013 | Increases | Decreases | Balance June 30, 2014 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 25,822 | $ - | $ - | $ 25,822 |
| Total capital assets not being depreciated | $ 25,822 | $ - | $ - | $ 25,822 |
| Other capital assets: | | | | |
| Buildings and improvements | $ 9,316,674 | $ - | $ - | $ 9,316,674 |
| Machinery, equipment and vehicles | 4,610,171 | 75,992 | 64,220 | 4,621,943 |
| Jointly owned assets | 3,654,097 | 540,187 | - | 4,194,284 |
| Total other capital assets | $ 17,580,942 | $ 616,179 | $ 64,220 | $ 18,132,901 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | $ 5,808,927 | $ 131,084 | $ - | $ 5,940,011 |
| Machinery, equipment and vehicles | 3,556,661 | 272,252 | 64,220 | 3,764,693 |
| Jointly owned assets | 1,090,681 | 234,565 | - | 1,325,246 |
| Total accumulated depreciation | $ 10,456,269 | $ 637,901 | $ 64,220 | $ 11,029,950 |
| Other capital assets, net | $ 7,124,673 | $ (21,722) | $ - | $ 7,102,951 |
| Net capital assets | $ 7,150,495 | $ (21,722) | $ - | $ 7,128,773 |
| Depreciation is allocated to education | | $ 637,901 | | |

1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia (1950), as amended, has changed the reporting of local capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Brunswick, Virginia for the year ended June 30, 2014, is that school financed assets in the amount of $6,548,761 net are reported in the Primary Government for financial reporting purposes.

## Note 7–Capital Assets: (Continued)

**Component Unit-Industrial Development Authority:**

| | Balance July 1, 2013 | Increases | Decreases | Balance June 30, 2014 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 39,142 | $ - | $ - | $ 39,142 |
| Other capital assets: | | | | |
| Buildings | $ 199,098 | $ - | $ - | $ 199,098 |
| Improvements | 26,022 | - | - | 26,022 |
| Machinery, equipment and vehicles | 30,940 | - | - | 30,940 |
| Total other capital assets | $ 256,060 | $ - | $ - | $ 256,060 |
| Accumulated depreciation: | | | | |
| Buildings | $ 67,803 | $ 5,106 | $ - | $ 72,909 |
| Improvements | 26,022 | - | - | 26,022 |
| Machinery, equipment and vehicles | 28,776 | 2,164 | - | 30,940 |
| Total accumulated depreciation | $ 122,601 | $ 7,270 | $ - | $ 129,871 |
| Other capital assets, net | $ 133,459 | $ (7,270) | $ - | $ 126,189 |
| Net capital assets | $ 172,601 | $ (7,270) | $ - | $ 165,331 |
| Depreciation is allocated to the Industrial Development Authority | | | $ 7,270 | |

## Note 8–Unearned and Unavailable Revenue:

The government's unavailable and unearned revenue consist of the following at June 30, 2014:

| | Government-wide Statements | | Balance Sheet |
|---|---|---|---|
| | Governmental Activities | Component Unit Industrial Development Authority | Governmental Funds |
| **Primary Government:** | | | |
| Unavailable property tax revenue: | | | |
| Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures. | $ - | $ - | $ 376,478 |
| **Component Unit Industrial Development Authority:** | | | |
| Deferred gain on sale-leaseback: | | | |
| Long-term profit on sale of building amortized annually through 2022 | $ - | $ 89,931 | $ - |

## Note 9–Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2014.

| | Balance July 1, 2013 | Issuances/ Increases | Retirements/ Decreases | Balance June 30, 2014 |
|---|---|---|---|---|
| Primary Government: | | | | |
| Bonds payable: | | | | |
| Lease revenue bonds | $ 4,334,000 | $ 5,175,000 | $ 418,200 | $ 9,090,800 |
| General obligation bonds: | | | | |
| School | 7,029,146 | - | 540,187 | 6,488,959 |
| Premium on issuance | 109,475 | - | 15,581 | 93,894 |
| Qualified Zone Academy Bonds | 1,813,229 | - | - | 1,813,229 |
| Total bonds payable | $ 13,285,850 | $ 5,175,000 | $ 973,968 | $ 17,486,882 |
| Capital lease | 4,816 | - | 4,816 | - |
| Early retirement incentive costs | 346,100 | - | 26,000 | 320,100 |
| Sewer capacity agreement | 192,192 | - | 8,736 | 183,456 |
| Landfill closure/postclosure liability | 591,671 | 8,283 | - | 599,954 |
| Compensated absences | 579,374 | 8,323 | - | 587,697 |
| Net OPEB obligation | 142,030 | 54,190 | 22,900 | 173,320 |
| Total payable from governmental activities | $ 15,142,033 | $ 5,245,796 | $ 1,036,420 | $ 19,351,409 |
| Component Unit Activities: | | | | |
| School Board | | | | |
| Compensated absences | $ 569,417 | $ 5,141 | $ - | $ 574,558 |
| Net OPEB obligation | 251,980 | 112,002 | 52,600 | 311,382 |
| Total payable from School Board | $ 821,397 | $ 117,143 | $ 52,600 | $ 885,940 |
| Industrial Development Authority | | | | |
| Water and sewer bond | $ 517,160 | $ - | $ 87,840 | $ 429,320 |
| Rural Development loan | 327,964 | - | 124,355 | 203,609 |
| Other loan | 434,227 | - | 16,366 | 417,861 |
| Total payable from IDA | $ 1,279,351 | $ - | $ 228,561 | $ 1,050,790 |
| Total payable from component unit activities | $ 2,100,748 | $ 117,143 | $ 281,161 | $ 1,936,730 |
| Total long-term obligations | $ 17,242,781 | $ 5,362,939 | $ 1,317,581 | $ 21,288,139 |

Reconciliation to Exhibit 1:

| | | Component Units | | |
|---|---|---|---|---|
| | Primary Government | School Board | Industrial Development Authority | Total |
| Long-term liabilities: | | | | |
| Due within one year | $ 1,309,422 | $ 57,456 | $ 237,724 | $ 1,604,602 |
| Due in more than one year | 18,041,987 | 828,484 | 813,066 | 19,683,537 |
| Total long-term obligations | $ 19,351,409 | $ 885,940 | $ 1,050,790 | $ 21,288,139 |

## Note 9–Long-Term Obligations: (Continued)

### Primary Government:

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2015 | $ 1,250,652 | $ 679,940 |
| 2016 | 1,158,106 | 641,731 |
| 2017 | 1,182,595 | 605,239 |
| 2018 | 846,339 | 574,749 |
| 2019 | 1,534,655 | 533,230 |
| 2020-2024 | 5,755,487 | 2,004,141 |
| 2025-2029 | 3,828,188 | 1,197,177 |
| 2030-2034 | 2,425,680 | 386,323 |
| 2035-2035 | 8,736 | - |
| Total | $ 17,990,438 | $ 6,622,530 |

Note: The above includes long-term obligations, deferred charges, premiums, and early retirement incentive costs. Compensated absences, OPEB, capital leases, and landfill closure/postclosure liability are not included.

### Industrial Development Authority:

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2015 | $ 237,724 | $ 37,981 |
| 2016 | 567,473 | 28,091 |
| 2017 | 96,049 | 6,653 |
| 2018 | 98,952 | 3,750 |
| 2019 | 50,592 | 758 |
| Total | $ 1,050,790 | $ 77,233 |

### Federal Arbitrage Regulations:

The County is in compliance with federal arbitrage regulations. Any arbitrage amounts that may be required to be paid are not material to the financial statements.

**Note 9–Long-Term Obligations: (Continued)**

**Details of Long-Term Obligations:**

| | Amount Outstanding | Due within One year |
|---|---|---|
| **Governmental Activities:** | | |
| Lease Revenue Bonds: | | |
| $3,233,900 Lease revenue bonds, payable in various annual installments ranging from $243,300 to $352,800, due on November 15 through 2016, interest payable semi-annually at a rate of 3.76% | $ 1,021,800 | $ 328,500 |
| $3,000,000 Lease revenue bonds (old courthouse renovation project), payable in various annual installments ranging from $106,000 to $193,000, due on January 1 through 2032 with final payment due on 10/31/2032, interest payable semi-annually at a rate of 2.70% | 2,894,000 | 118,000 |
| $5,175,000 Lease revenue bonds (Rt 58 infrastructure), payable in various annual installments ranging from $200,000 to $395,000, due on October 1 2015 through 2033, interest payable semi-annually at rates of .720% to 5.121%, due on April and October 1 from April 1, 2014 through October 2033. | 5,175,000 | 200,000 |
| Total lease revenue bonds | $ 9,090,800 | $ 646,500 |
| General Obligation School Bonds: | | |
| $1,754,598 School Bonds, 1994, issued November 12, 1994, maturing in various annual installments of $63,947 to $116,828 through July 15, 2015, interest payable semi-annually at 6.10%-6.60% | $ 122,217 | $ 122,217 |
| $1,388,892 School Bonds, 2003, issued November 6, 2003, maturing in various annual installments of $52,738 to $88,640 through July 15, 2023, interest payable semi-annually at 3.10%-5.35% | 782,416 | 68,982 |
| Plus: Premium on issuance | 23,167 | 4,254 |
| $6,009,753 School Bonds, 2006, issued November 9, 2006, maturing in various annual installments of $229,192 to $370,235 through July 15, 2026, interest payable semi-annually at 4.225%-5.100% | 4,214,326 | 282,803 |
| Plus: Premium on issuance | 70,727 | 10,160 |
| $1,530,000 School Bonds, 2011, issued December 1, 2011, maturing in various annual installments of $80,000 to $85,000 through December 1, 2030, interest payable semi-annually at 4.25% to be refunded by a Federal Tax Credit | 1,370,000 | 80,000 |
| Total general obligation bonds | $ 6,582,853 | $ 568,416 |

## Note 9–Long-Term Obligations: (Continued)

### Details of Long-Term Obligations: (Continued)

| | Amount Outstanding | Due within One year |
|---|---|---|
| **Governmental Activities: (Continued)** | | |
| Qualified Zone Academy Bonds: | | |
| $671,460 Qualified Zone Academy Bond, issued December 29, 2003, maturing on December 29, 2018 with an imputed interest rate of 3.2%. Annual payments of $56,896 are required to be placed in a sinking fund that will be used to pay the debt in 2018. | $ 671,460 | $ - |
| $1,141,769 Qualified Zone Academy Bond, issued December 31, 2004, maturing on December 30, 2020 with an imputed interest rate of 2%. Annual payments of $78,338 are required to be placed in a sinking fund that will be used to pay the debt in 2020. | 1,141,769 | - |
| Total Qualified Zone Academy Bonds | $ 1,813,229 | $ - |
| Landfill closure and postclosure care liability | $ 599,954 | $ - |
| Compensated absences (payable from general fund) | $ 587,697 | $ 58,770 |
| Net OPEB Obligation | $ 173,320 | $ - |
| Early Retirement Incentive Costs: | | |
| The Brunswick County School Board adopted the early retirement incentive program. $541,300, early retirement incentive obligation bond payable in annual installments of $18,600 to $37,600 due on November 15 through 2023, interest at 3.76%. This was refinanced in fiscal year 2004 in conjunction with the Courthouse revenue bonds. | $ 320,100 | $ 27,000 |
| Town of Brodnax Sewer Capacity agreement: | | |
| In 1997, the County entered into an agreement with the Town of Brodnax to purchase 20,000 gpd of sewer capacity. An initial payment of $9,334 was made in 1997 and monthly payments of $728 are being made through June 2035. | $ 183,456 | $ 8,736 |
| Total long-term obligations from governmental activities | $ 19,351,409 | $ 1,309,422 |

## Note 9–Long-Term Obligations: (Continued)

### Details of Long-Term Obligations: (Continued)

| | Amount Outstanding | Due within One year |
|---|---|---|
| **Component Unit Activities:** | | |
| School Board: | | |
| Compensated absences | $ 574,558 | $ 57,456 |
| Net OPEB obligation | $ 311,382 | $ - |
| Total long-term obligations from School Board | $ 885,940 | $ 57,456 |
| Industrial Development Authority: | | |
| $576,730 Business Mortgage, Bank of America dated April 27, 2002 in combined monthly installments of $3,036 through April 27, 2016, principal balance due at maturity, interest rate at 4.76% | $ 417,861 | $ 17,161 |
| $1,542,040 Lawrenceville's Rural Development loan agreement dated October 1, 1997 (and amendments) due in monthly installment payments of $11,381 through February 19, 2016, interest at 4.5% | 203,609 | 130,067 |
| $1,450,000 Town of Lawrenceville - County Water and Sewer Bond agreement dated October 1, 1997 (and amendments) due in semiannual payments of $51,350 through December 1, 2018, interest at 3% | 429,320 | 90,496 |
| Total long-term obligations from Industrial Development Authority | $ 1,050,790 | $ 237,724 |
| Total long-term obligations | $ 21,288,139 | $ 1,604,602 |

## Note 10–Compensated Absences:

In accordance with GASB Statement 16, *Accounting for Compensated Absences*, the County has accrued the liability arising from outstanding compensated absences.

County employees earn vacation and sick leave at various rates. See Note 9 for details of changes in compensated absences balances.

## Note 11–Commitments and Contingencies:

Federal programs in which the County and discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance test which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

At year end, the County had the Byways Visitor Center project underway, which is presented in the financial statements as construction in progress. Contract amounts for the Byways Visitor Center project are $292,534 with $63,045 outstanding at June 30, 2014.

## Note 12–Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Association of Counties Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the association for its workers compensation insurance, and general liability insurance.

In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## Note 13–Litigation:

At June 30, 2014, there were no significant matters of litigation pending involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County. However, an allegation of housing discrimination has been filed with the U.S. Department of Housing and Urban Development (HUD). VaCorp intends to vigorously defend the case and, at this time, it is too early to form a conclusion about the outcome.

## Note 14–Brunswick County School Bus Drivers and School Bus Aides Employer Contribution 401(a) Plan:

The School Board contributed $31,000 to a 401(a) plan on behalf of the County’s school bus drivers. $500 per driver and bus aide was contributed during fiscal year 2014. The County has the responsibility of a prudent investor in regards to the plan but is not liable for losses arising from the plan and thus the value of the plan assets is not recorded in the County’s financial report.

## Note 15–Pension Plan:

### A. Plan Description

| | |
|---|---|
| Name of Plan: | Virginia Retirement System (VRS) |
| Identification of Plan: | Agent and Cost-Sharing Multiple-Employer Pension Plan |
| Administering Entity: | Virginia Retirement System (System) |

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

Within the VRS Plan, the System administers three different benefit plans for local government employees – Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out below:

**VRS – PLAN 1**

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

   The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

   If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

   Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**VRS – PLAN 1 (CONTINUED)**

5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

   Members are always 100% vested in the contributions that they make.

7. **Calculating the Benefit** - The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

   An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

10. **Normal Retirement Age -** Age 65.

11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

    Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**VRS – PLAN 1 (CONTINUED)**

13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

14. **Eligibility -** For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

    For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

15. **Exceptions to COLA Effective Dates** - The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

    - The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
    - The member retires on disability.
    - The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).
    - The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
    - The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

    Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

    VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

| VRS − PLAN 1 (CONTINUED) |
|---|

17. **Purchase of Prior Service** - Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

| VRS − PLAN 2 |
|---|

1. **Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

2. **Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

3. **Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

   The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

   If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

   Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

4. **Retirement Contributions** – Same as VRS Plan 1−Refer to Section 4.

5. **Creditable Service** – Same as VRS Plan 1− Refer to Section 5.

6. **Vesting** – Same as VRS Plan 1−Refer to Section 6.

7. **Calculating the Benefit** – Same as VRS Plan 1−Refer to Section 7.

8. **Average Final Compensation -** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

9. **Service Retirement Multiplier -** Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

10. **Normal Retirement Age -** Normal Social Security retirement age.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**VRS − PLAN 2 (CONTINUED)**

11. **Earliest Unreduced Retirement Eligibility -** Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

    Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

12. **Earliest Reduced Retirement Eligibility -** Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

13. **Cost-of-Living Adjustment (COLA) in Retirement -** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.

14. **Eligibility** – Same as VRS Plan 1−Refer to Section 14.

15. **Exceptions to COLA Effective Dates** – Same as VRS Plan 1−Refer to Section 15.

16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

    Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

    VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

17. **Purchase of Prior Service** – Same as VRS Plan 1−Refer to Section 17.

**HYBRID RETIREMENT PLAN**

1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)

    - The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.
    - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
    - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

## Note 15–Pension Plan: (Continued)

### A. Plan Description: (Continued)

**HYBRID RETIREMENT PLAN (CONTINUED)**

2. **Eligible Members** - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

   - State employees*
   - School division employees
   - Political subdivision employees*
   - Judges appointed or elected to an original term on or after January 1, 2014
   - Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

3. ***Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

   - Members of the State Police Officers' Retirement System (SPORS)
   - Members of the Virginia Law Officers' Retirement System (VaLORS)
   - Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

   Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

4. **Retirement Contributions** - A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

5. **Creditable Service**

   Defined Benefit Component - Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**HYBRID RETIREMENT PLAN (CONTINUED)**

**5. Creditable Service: (Continued)**

Defined Contribution Component - Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

**6. Vesting**

Defined Benefit Component - Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contribution Component - Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

**7. Calculating the Benefit**

Defined Benefit Component – Same as VRS Plan 1−Refer to Section 7.

Defined Contribution Component - The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

**8. Average Final Compensation** – Same as VRS Plan 2−Refer to Section 8. It is used in the retirement formula for the defined benefit component of the plan.

**9. Service Retirement Multiplier** - The retirement multiplier is 1.0%.

For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**HYBRID RETIREMENT PLAN (CONTINUED)**

**10. Normal Retirement Age**

Defined Benefit Component – Same as VRS Plan 2−Refer to Section 10.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**11. Earliest Unreduced Retirement Eligibility**

Defined Benefit Component - Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**12. Earliest Reduced Retirement Eligibility**

Defined Benefit Component - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**13. Cost-of-Living Adjustment (COLA) in Retirement**

Defined Benefit Component – Same as VRS Plan 2−Refer to Section 13.

Defined Contribution Component – Not Applicable.

**14. Eligibility** – Same as VRS Plan 1 and VRS Plan 2−Refer to Section 14.

**15. Exceptions to COLA Effective Dates** – Same as VRS Plan 1 and VRS Plan 2−Refer to Section 15.

**16. Disability Coverage** - Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

**Note 15–Pension Plan: (Continued)**

**A. Plan Description: (Continued)**

**HYBRID RETIREMENT PLAN (CONTINUED)**

**17. Purchase of Prior Service**

Defined Benefit Component - Same as VRS Plan 1 and VRS Plan 2−Refer to Section 17.

Defined Contribution Component – Not Applicable.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at http://www.varetire.org/Pdf/Publications/2013-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**B. Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and its component units are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2014 was 13.91%, of annual covered payroll. The School non-professional and Industrial Development Authority contribution rates for the fiscal year ended 2014 were 9.16% and 8.99% of annual covered payroll, respectively

**C. Annual Pension Cost**

For fiscal year 2014, the County's annual pension cost of $589,624 was equal to the County's required and actuarial contributions.

**Three-Year Trend Information for County**

| Fiscal Year Ending | | Annual Pension Cost (APC) (1) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| County: | | | | |
| June 30, 2014 | $ | 589,624 | 100% | - |
| June 30, 2013 | | 574,087 | 100% | - |
| June 30, 2012 | | 508,923 | 100% | - |

(1) Employer portion only

**Note 15–Pension Plan: (Continued)**

## C. Annual Pension Cost: (Continued)

For fiscal year 2014, the School Board's annual pension cost for the Board's non-professional employees was $107,370 and was equal to the Board's required and actual contributions.

**Three-Year Trend Information for School Board**

| Fiscal Year Ending | | Annual Pension Cost (APC) (1) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| School Board Non-Professional: | | | | |
| June 30, 2014 | $ | 107,370 | 100% | - |
| June 30, 2013 | | 112,368 | 100% | - |
| June 30, 2012 | | 70,338 | 100% | - |

(1) Employer portion only

For fiscal year 2014, the County Industrial Development Authority's annual pension cost of $10,599 was equal to the Authority's required and actual contributions.

**Three-Year Trend Information for IDA**

| Fiscal Year Ending | | Annual Pension Cost (APC) (1) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| Industrial Development Authority: | | | | |
| June 30, 2014 | $ | 10,599 | 100% | - |
| June 30, 2013 | | 10,315 | 100% | - |
| June 30, 2012 | | 6,451 | 100% | - |

(1) Employer portion only

The FY 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County, School Board's, and IDA's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

**Note 15–Pension Plan: (Continued)**

## D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 68.65% funded. The actuarial accrued liability for benefits was $18,636,260, and the actuarial value of assets was $12,794,156, resulting in an unfunded actuarial accrued liability (UAAL) of $5,842,104. The covered payroll (annual payroll of active employees covered by the plan) was $4,131,921, and ratio of the UAAL to the covered payroll was 141.39%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 82.40% funded. The actuarial accrued liability for benefits was $5,065,862, and the actuarial value of assets was $4,174,278, resulting in an unfunded actuarial accrued liability (UAAL) of $891,584. The covered payroll (annual payroll of active employees covered by the plan) was $1,199,576, and ratio of the UAAL to the covered payroll was 74.32%.

As of June 30, 2013, the most recent actuarial valuation date, the Industrial Development Authority's plan was 103.41% funded. The actuarial accrued liability for benefits was $235,004, and the actuarial value of assets was $243,007, resulting in an unfunded actuarial accrued liability (UAAL) of ($8,003). The covered payroll (annual payroll of active employees covered by the plan) was $114,742, and ratio of the UAAL to the covered payroll was 6.97%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

## E. Discretely Presented Component Unit School Board

PROFESSIONAL EMPLOYEES:

Plan Description

The Brunswick County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at http://www.varetire.org/Pdf/publications/2013-annual-report.pdf or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required to contribute 5.00% of their compensation toward their retirement and Brunswick County School Board is required to contribute at an actuarial determined rate. The rates for fiscal years 2014, 2013, and 2012 were 11.66%, 11.66% and 6.33%, respectively, of annual covered payroll. The contribution requirements of plan members and Brunswick County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ended June 30, 2014, 2013, and 2012 were $1,137,154, $1,271,202, and $640,889, respectively, which equaled the required contributions for each year.

**Note 16–Deferred Compensation Plan:**

The County and School Board offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer the payment of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred, including the investments and earnings thereon, vest with the employee and are not subject to the claims of the County's and School Board's general creditors.

**Note 17–VRS Health Insurance Credit - Other Postemployment Benefits:**

**A. Plan Description**

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the School Board, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of $1.50 per year of creditable service up to a maximum monthly credit of $45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of $45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 15.

**B. Funding Policy**

As a participating local political subdivision, the School Board is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2014 was .61% of annual covered payroll.

**C. Annual OPEB Cost and Net OPEB Obligation**

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The School Board is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**Note 17–VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)**

**C. Annual OPEB Cost and Net OPEB Obligation: (Continued)**

For 2014, the School Board's contribution of $7,150 was equal to the ARC and OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years are as follows:

| Fiscal Year Ending | | Annual OPEB Cost (APC) | Percentage of APC Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| June 30, 2014 | $ | 7,150 | 100% | - |
| June 30, 2013 | | 7,597 | 100% | - |
| June 30, 2012 | | 7,623 | 100% | - |

**D. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

| | | |
|---|---|---|
| Actuarial accrued liability (AAL) | $ | 113,674 |
| Actuarial value of plan assets | $ | 37,451 |
| Unfunded actuarial accrued liability (UAAL) | $ | 76,223 |
| Funded ratio (actuarial value of plan assets/AAL) | | 32.95% |
| Covered payroll (active plan members) | $ | 1,199,576 |
| UAAL as a percentage of covered payroll | | 6.35% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## Note 17–VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

### E. Actuarial Methods and Assumptions: (Continued)

The Retiree Health Insurance Credit benefit is based on a member's employer eligibility and his or her years of service. The monthly maximum credit amount cannot exceed the member's actual health insurance premium costs. The actuarial valuation for this plan assumes the maximum credit is payable for each eligible member. Since this benefit is a flat dollar amount multiplied by the member's years of service and the maximum benefit is assumed, no assumption relating to health care cost trend rates is needed or applied.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2013 was 30 years.

### F. Professional Employees – Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of $4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of $4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2014, 2013, and 2012 were $108,258, $120,982, and $60,748, respectively and equaled the required contributions for each year.

## Note 18–Other Postemployment Benefits – Health Insurance:

### A. Plan Description

In addition to the pension benefits described in Note 15, the County and School Board provide post-retirement health care insurance benefits for employees who are eligible for retirement benefits. Individuals who have attained the age of 50 with at least 10 years of service earned with the County or School Board and prior service earned through other Virginia agencies. Employees who do not participate in VRS must attain the age of 50 with at least 10 years of service with the County Schools to receive benefits offered by the School Board.

## Note 18–Other Postemployment Benefits – Health Insurance: (Continued)

### A. Plan Description: (Continued)

Health benefits include medical, dental, and vision coverage for retirees and eligible spouses. Retirees under the age of 65 may elect BlueCross (PPO) (Key Advantage Expanded or Key Advantage 500) medical option. Health benefits are offered until the earlier of the retiree's death or the retiree attaining age 65. Health benefits for the spouse of the retiree are offered until the earlier of the spouse's death, the retiree's death, or the spouse attaining age 65. If the retiree predeceases the spouse, the spouse may continue coverage through COBRA only. There are no age or service requirements for disabled individuals. They are eligible for the same benefit as other retirees.

### B. Funding Policy

The County and School Board establish employer contribution rates for plan participants as part of the budgetary process each year. The County and School Board also determine how the plans will be funded each year, whether they will partially fund the plans or fully fund the plans. The retiree and spouse must pay the entire premium. Coverage ceases when retirees reach the age of 65 or upon death, if earlier. Disability benefits end when the retiree is eligible for Medicare.

### C. Annual OPEB Cost and Net OPEB Obligation

The County's and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's and School Board's annual OPEB cost for the year, the estimated amount contributed to the plans, and changes in the County's and School Board's net OPEB obligation.

| | County | School Board |
|---|---|---|
| Annual required contribution | $ 53,600 | $ 112,500 |
| Interest on net OPEB obligation | 5,681 | 8,819 |
| Adjustment to annual required contribution | (5,091) | (9,317) |
| Annual OPEB cost (expense) | $ 54,190 | $ 112,002 |
| Contributions made | (22,900) | (52,600) |
| Increase in net OPEB obligation | $ 31,290 | $ 59,402 |
| Net OPEB obligation-beginning of year | 142,030 | 251,980 |
| Net OPEB obligation-end of year | $ 173,320 | $ 311,382 |

**Note 18–Other Postemployment Benefits – Health Insurance: (Continued)**

## C. Annual OPEB Cost and Net OPEB Obligation: (Continued)

The County's and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans and the net OPEB obligation for 2014 and the two preceding years are as follows:

| Fiscal Year Ending | | Annual OPEB Cost (APC) | Percentage of APC Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| **County:** | | | | |
| June 30, 2014 | $ | 54,190 | 42.26% | 173,320 |
| June 30, 2013 | | 51,565 | 41.50% | 142,030 |
| June 30, 2012 | | 57,114 | 33.44% | 111,865 |
| **School Board:** | | | | |
| June 30, 2014 | $ | 112,002 | 46.96% | 311,382 |
| June 30, 2013 | | 127,194 | 53.93% | 251,980 |
| June 30, 2012 | | 121,229 | 46.69% | 193,386 |

## D. Funded Status and Funding Progress

The funded status of the plans as of June 30, 2012 and June 30, 2013, respectively, are as follows:

| | | County | | School Board |
|---|---|---|---|---|
| Actuarial accrued liability (AAL) | $ | 496,600 | $ | 1,023,900 |
| Actuarial value of plan assets | $ | - | $ | - |
| Unfunded actuarial accrued liability (UAAL) | $ | 496,600 | $ | 1,023,900 |
| Funded ratio (actuarial value of plan assets/AAL) | | 0.00% | | 0.00% |
| Covered payroll (active plan members) | $ | 4,069,200 | $ | 11,947,400 |
| UAAL as a percentage of covered payroll | | 12.20% | | 8.57% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Note 18–Other Postemployment Benefits – Health Insurance: (Continued)

### E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they would accrue. Under this method the total value of the benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

Interest Assumptions

In the actuarial valuation, the Projected Unit Cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.50 percent initially, reduced by decrements to an ultimate rate of 4.80 percent after seventy years. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at the valuation date was thirty years.

## Note 19–Surety Bond Information:

| | | Amount |
|---|---|---|
| Commonwealth of Virginia, Department of General Services, | | |
| Division of Risk Management-Faithful Performance of Duty Bond | | |
| V. Earl Stanley, Jr. Clerk of the Circuit Court | $ | 300,000 |
| Alice C. Maitland, Treasurer | | 400,000 |
| Wanda Beville, Commissioner of the Revenue | | 3,000 |
| Brian K. Roberts, Sheriff | | 30,000 |
| Virginia Association of Counties (VACo) Risk Management Programs: | | |
| County and School Board: | | |
| Faithful performance blanket position coverage | | 250,000 |

## Note 20–Interfund Balances and Transfers:

Interfund balances and transfers for the year ended June 30, 2014, consisted of the following:

| | Due To | Due From | Net |
|---|---|---|---|
| Primary Government: | | | |
| General Fund | $ - | $ 138,414 | $ (138,414) |
| VPA Fund | 128,042 | - | 128,042 |
| Capital Projects Fund | 5,882 | - | 5,882 |
| Airport Fund | 4,490 | - | 4,490 |
| Total Primary Government | $ 138,414 | $ 138,414 | $ - |
| Component Unit: | | | |
| IDA | $ 500,000 | $ - | $ 500,000 |

| | Transfers In | Transfers Out | Net |
|---|---|---|---|
| Primary Government: | | | |
| General Fund | $ - | $ 1,724,191 | $ (1,724,191) |
| VPA Fund | 323,945 | - | 323,945 |
| Debt Service Fund | 761,218 | - | 761,218 |
| Capital Projects Fund | 453,162 | - | 453,162 |
| Airport Fund | 15,018 | - | 15,018 |
| CSA Fund | 166,848 | - | 166,848 |
| Total Governmental Activities | $ 1,720,191 | $ 1,724,191 | $ (4,000) |
| Fiduciary Activities: | | | |
| Special Welfare Fund | $ 4,000 | $ - | $ 4,000 |
| Total Primary Government | $ 1,724,191 | $ 1,724,191 | $ - |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

## Note 21–Intergovernmental and Industrial Agreements–Industrial Development Authority:

County of Brunswick, Virginia

Under arrangements similar to that between the Authority and the Virginia Department of Corrections, the Authority issued bonds for the construction of a new Courthouse facility for Brunswick County. The payments from the County to the Authority equal the Authority's obligation to the bond holders.

Brunswick County and the Authority joined together in the development of the Roanoke River Regional Business Park, which is located in Mecklenburg County. To enable the Authority to participate in this project, the County loaned the Authority $500,000 to be used for the purchase of land. No repayments are due from the Authority to the County until closing occurs on a sale of property within the RRRBP, at which time there is a proportional repayment (the amount of which is determined under the terms of a negotiated agreement between the Authority and the County).

In fiscal year 2014, the County closed on a $5,175,000 VRA loan for extension of water and sewer infrastructure along Route 58. The County is funding the project and will repay the debt service, even though the lines will be owned by the Authority and will be operated and maintained by Town of Lawrenceville, Virginia. Activity is reported as capital contributions from the County to the Authority.

## Note 22–Landfill Closure and Postclosure Care Cost:

The County of Brunswick, Virginia owns a landfill which it no longer operates, however the County is responsible for the landfill closure and postclosure costs. The landfill was closed on September 1, 1994. The County hauls trash to a private landfill in the County.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The $599,954 reported as landfill postclosure care liability at June 30, 2014 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of $337,212 required by the Department of Environmental Quality. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

The County demonstrated financial assurance requirements for closure, postclosure care, and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

## Note 23–Subsequent Events:

In November 2014, the County agreed to acquire the Brunswick Volunteer Rescue Squad real and personal property in order to provide the services they are no longer able to financially sustain.

## Required Supplementary Information

Note to Required Supplementary Information:
Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

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General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

| | Budgeted Amounts | | | Variance with Final Budget- |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| **REVENUES** | | | | |
| General property taxes | $ 9,050,000 | $ 9,050,000 | $ 9,338,344 | $ 288,344 |
| Other local taxes | 1,418,000 | 1,418,000 | 4,033,028 | 2,615,028 |
| Permits, privilege fees, and regulatory licenses | 81,600 | 81,600 | 88,964 | 7,364 |
| Fines and forfeitures | 750,000 | 1,000,000 | 908,216 | (91,784) |
| Revenue from the use of money and property | 72,600 | 72,600 | 72,622 | 22 |
| Charges for services | 565,600 | 565,600 | 631,040 | 65,440 |
| Miscellaneous | 20,000 | 120,928 | 203,273 | 82,345 |
| Recovered costs | 233,435 | 253,435 | 267,236 | 13,801 |
| Intergovernmental: | | | | |
| Commonwealth | 3,839,121 | 3,901,209 | 3,931,832 | 30,623 |
| Federal | 60,000 | 125,702 | 96,029 | (29,673) |
| Total revenues | $ 16,090,356 | $ 16,589,074 | $ 19,570,584 | $ 2,981,510 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government administration | $ 1,369,188 | $ 1,446,441 | $ 1,426,940 | $ 19,501 |
| Judicial administration | 1,374,183 | 1,433,137 | 1,413,644 | 19,493 |
| Public safety | 5,495,856 | 5,983,547 | 5,886,851 | 96,696 |
| Public works | 1,374,353 | 1,498,436 | 1,445,137 | 53,299 |
| Health and welfare | 144,014 | 144,014 | 152,472 | (8,458) |
| Education | 4,494,807 | 4,386,972 | 4,333,595 | 53,377 |
| Parks, recreation, and cultural | 229,004 | 232,242 | 231,885 | 357 |
| Community development | 379,525 | 389,132 | 362,519 | 26,613 |
| Capital projects | 7,500 | 7,500 | 7,500 | - |
| Debt service: | | | | |
| Principal retirement | 432,894 | 432,894 | 431,752 | 1,142 |
| Interest and other fiscal charges | 134,870 | 134,870 | 134,748 | 122 |
| Total expenditures | $ 15,436,194 | $ 16,089,185 | $ 15,827,043 | $ 262,142 |
| Excess (deficiency) of revenues over (under) expenditures | $ 654,162 | $ 499,889 | $ 3,743,541 | $ 3,243,652 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers out | $ (1,418,102) | $ (1,875,264) | $ (1,724,191) | $ 151,073 |
| Total other financing sources (uses) | $ (1,418,102) | $ (1,875,264) | $ (1,724,191) | $ 151,073 |
| Net change in fund balances | $ (763,940) | $ (1,375,375) | $ 2,019,350 | $ 3,394,725 |
| Fund balances - beginning | - | 774,740 | 9,624,304 | 8,849,564 |
| Fund balances - ending | $ (763,940) | $ (600,635) | $ 11,643,654 | $ 12,244,289 |

Virginia Public Assistance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual Amounts** | **Variance with Final Budget - Positive (Negative)** |
| **REVENUES** | | | | |
| Miscellaneous | $ - | $ - | $ 1,740 | $ 1,740 |
| Intergovernmental: | | | | |
| Commonwealth | 608,123 | 625,423 | 541,065 | (84,358) |
| Federal | 891,389 | 905,339 | 1,022,906 | 117,567 |
| Total revenues | $ 1,499,512 | $ 1,530,762 | $ 1,565,711 | $ 34,949 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Health and welfare | $ 1,867,880 | $ 1,899,130 | $ 1,889,656 | $ 9,474 |
| Total expenditures | $ 1,867,880 | $ 1,899,130 | $ 1,889,656 | $ 9,474 |
| Excess (deficiency) of revenues over (under) expenditures | $ (368,368) | $ (368,368) | $ (323,945) | $ 44,423 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ 368,368 | $ 368,368 | $ 323,945 | $ (44,423) |
| Total other financing sources (uses) | $ 368,368 | $ 368,368 | $ 323,945 | $ (44,423) |
| Net change in fund balances | $ - | $ - | $ - | $ - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | $ - | $ - | $ - | $ - |

Schedules of Pension and OPEB Funding Progress
For the Year Ended June 30, 2014

***Virginia Retirement System - Pension Funding Progress:***

**County:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|
| June 30, 2011 | $ 12,094,955 | $ 17,650,989 | $ 5,556,034 | 68.52% | $ 4,350,882 | 127.70% |
| June 30, 2012 | 12,206,217 | 18,304,002 | 6,097,785 | 66.69% | 4,225,194 | 144.32% |
| June 30, 2013 | 12,794,156 | 18,636,260 | 5,842,104 | 68.65% | 4,131,921 | 141.39% |

**School Board Non-Professional:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|
| June 30, 2011 | $ 4,195,074 | $ 4,990,364 | $ 795,290 | 84.06% | $ 1,159,862 | 68.57% |
| June 30, 2012 | 4,102,603 | 5,093,777 | 991,174 | 80.54% | 1,141,018 | 86.87% |
| June 30, 2013 | 4,174,278 | 5,065,862 | 891,584 | 82.40% | 1,199,576 | 74.32% |

**Industrial Development Authority:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|
| June 30, 2011 | $ 210,760 | $ 193,424 | $ (17,336) | 108.96% | $ 106,096 | (16.34%) |
| June 30, 2012 | 221,783 | 217,194 | (4,589) | 102.11% | 106,096 | (4.33%) |
| June 30, 2013 | 243,007 | 235,004 | (8,003) | 103.41% | 114,742 | (6.97%) |

Schedules of Pension and OPEB Funding Progress
For the Year Ended June 30, 2014 (Continued)

***Virginia Retirement System - Health Insurance Credit:***

**School Board Non-Professional:**

| Actuarial Valuation Date | | Actuarial Value of Assets (AVA) (a) | | Actuarial Accrued Liability (AAL) (b) | | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|---|---|---|---|
| June 30, 2011 | $ | 32,042 | $ | 108,526 | $ | 76,484 | 29.52% | $ | 1,159,862 | 6.59% |
| June 30, 2012 | | 32,843 | | 114,860 | | 82,017 | 28.59% | | 1,141,018 | 7.19% |
| June 30, 2013 | | 37,451 | | 113,674 | | 76,223 | 32.95% | | 1,199,576 | 6.35% |

***Other Postemployment Benefits:***

**County:**

| Actuarial Valuation Date* | | Actuarial Value of Assets (AVA) (a) | | Actuarial Accrued Liability (AAL) (b) | | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|---|---|---|---|
| June 30, 2009 | $ | - | $ | 444,800 | $ | 444,800 | 0.00% | $ | 4,955,700 | 8.98% |
| June 30, 2012 | | - | | 496,600 | | 496,600 | 0.00% | | 4,069,200 | 12.20% |

**School Board:**

| Actuarial Valuation Date | | Actuarial Value of Assets (AVA) (a) | | Actuarial Accrued Liability (AAL) (b) | | Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c) | Funded Ratio (a/b) (d) | | Covered Payroll (e) | UAAL as % of Covered Payroll (c/e) (f) |
|---|---|---|---|---|---|---|---|---|---|---|
| June 30, 2009 | $ | - | $ | 1,001,200 | $ | 1,001,200 | 0.00% | $ | 13,381,700 | 7.48% |
| June 30, 2011 | | - | | 1,135,400 | | 1,135,400 | 0.00% | | 12,438,200 | 9.13% |
| June 30, 2013 | | - | | 1,023,900 | | 1,023,900 | 0.00% | | 11,947,400 | 8.57% |

** OPEB actuarial valuations are performed every 3 years and the valuation at June 30, 2009 was the initial valuation.*

# Other Supplementary Information

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# Combining and Individual Fund Statements and Schedules

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Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual Amounts** | **Variance with Final Budget - Positive (Negative)** |
| **REVENUES** | | | | |
| Revenue from the use of money and property | $ 7,500 | $ 7,500 | $ 41,992 | $ 34,492 |
| Intergovernmental: | | | | |
| Federal | 59,367 | 59,367 | 60,343 | 976 |
| Total revenues | $ 66,867 | $ 66,867 | $ 102,335 | $ 35,468 |
| **EXPENDITURES** | | | | |
| Debt service: | | | | |
| Principal retirement | $ 636,411 | $ 636,411 | $ 566,187 | $ 70,224 |
| Interest and other fiscal charges | 387,273 | 387,273 | 387,273 | - |
| Total expenditures | $ 1,023,684 | $ 1,023,684 | $ 953,460 | $ 70,224 |
| Excess (deficiency) of revenues over (under) expenditures | $ (956,817) | $ (956,817) | $ (851,125) | $ 105,692 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ 762,194 | $ 762,194 | $ 761,218 | $ (976) |
| Total other financing sources (uses) | $ 762,194 | $ 762,194 | $ 761,218 | $ (976) |
| Net change in fund balances | $ (194,623) | $ (194,623) | $ (89,907) | $ 104,716 |
| Fund balances - beginning | - | - | 1,960,711 | 1,960,711 |
| Fund balances - ending | $ (194,623) | $ (194,623) | $ 1,870,804 | $ 2,065,427 |

**COUNTY OF BRUNSWICK, VIRGINIA**

Capital Projects Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

| | County Capital Improvements Fund | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | Variance with Final Budget - |
| | Original | Final | Actual Amounts | Positive (Negative) |
| **REVENUES** | | | | |
| Revenue from the use of money and property | $ 3,000 | $ 3,000 | $ 5,603 | $ 2,603 |
| Miscellaneous | - | - | 483 | 483 |
| Intergovernmental: | | | | |
| Commonwealth | 434,968 | 497,906 | 64,520 | (433,386) |
| Federal | 1,143,150 | 1,153,538 | 267,152 | (886,386) |
| Total revenues | $ 1,581,118 | $ 1,654,444 | $ 337,758 | $ (1,316,686) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | $ 360,237 | $ 465,472 | $ 455,838 | $ 9,634 |
| Public works | - | 206,555 | 206,555 | - |
| Education | 76,000 | 76,000 | 75,992 | 8 |
| Parks, recreation, and cultural | 5,000 | 5,394 | 1,389 | 4,005 |
| Community development | 150,000 | 4,737,900 | 3,324,923 | 1,412,977 |
| Capital projects | 3,923,118 | 4,090,787 | 2,299,099 | 1,791,688 |
| Debt service: | | | | |
| Interest and other fiscal charges | - | 300,196 | 92,767 | 207,429 |
| Issuance costs | - | 180,000 | 152,076 | 27,924 |
| Total expenditures | $ 4,514,355 | $ 10,062,304 | $ 6,608,639 | $ 3,453,665 |
| Excess (deficiency) of revenues over (under) expenditures | $ (2,933,237) | $ (8,407,860) | $ (6,270,881) | $ 2,136,979 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ - | $ 453,162 | $ 453,162 | $ - |
| Transfers out | (25,000) | (25,000) | - | 25,000 |
| Issuance of general obligation bonds | 2,345,000 | 7,413,096 | 5,175,000 | (2,238,096) |
| Total other financing sources (uses) | $ 2,320,000 | $ 7,841,258 | $ 5,628,162 | $ (2,213,096) |
| Net change in fund balances | $ (613,237) | $ (566,602) | $ (642,719) | $ (76,117) |
| Fund balances - beginning | - | 107,896 | 2,855,612 | 2,747,716 |
| Fund balances - ending | $ (613,237) | $ (458,706) | $ 2,212,893 | $ 2,671,599 |

**Exhibit 12**

**DF School Capital Projects Fund**

| Budgeted Amounts Original | Budgeted Amounts Final | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| $ - | $ - | $ 68 | $ 68 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| $ - | $ - | $ 68 | $ 68 |
| | | | |
| $ - | $ - | $ - | $ - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | 168,396 | 162,524 | 5,872 |
| 207,429 | - | - | - |
| - | - | - | - |
| $ 207,429 | $ 168,396 | $ 162,524 | $ 5,872 |
| | | | |
| $ (207,429) | $ (168,396) | $ (162,456) | $ 5,940 |
| | | | |
| $ - | $ - | $ - | $ - |
| - | - | - | - |
| - | - | - | - |
| $ - | $ - | $ - | $ - |
| | | | |
| $ (207,429) | $ (168,396) | $ (162,456) | $ 5,940 |
| - | 168,396 | 162,456 | (5,940) |
| $ (207,429) | $ - | $ - | $ - |

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

| | Airport Fund | CSA Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ - | $ 2,839 | $ 2,839 |
| Receivables (net of allowance for uncollectibles): | | | |
| Accounts receivable | $ 10,293 | $ - | $ 10,293 |
| Due from other governmental units | - | 67,793 | 67,793 |
| Inventories | 2,377 | - | 2,377 |
| Total assets | $ 12,670 | $ 70,632 | $ 83,302 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities: | | | |
| Accounts payable | $ 5,803 | $ 48,397 | $ 54,200 |
| Due to other funds | 4,490 | - | 4,490 |
| Total liabilities | $ 10,293 | $ 48,397 | $ 58,690 |
| Fund balances: | | | |
| Nonspendable: | | | |
| Inventories | $ 2,377 | $ - | $ 2,377 |
| Restricted: | | | |
| CSA administration | - | 22,235 | 22,235 |
| Total fund balances | $ 2,377 | $ 22,235 | $ 24,612 |
| Total liabilities and fund balances | $ 12,670 | $ 70,632 | $ 83,302 |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

| | Airport Fund | CSA Fund | Total |
|---|---|---|---|
| **REVENUES** | | | |
| Revenue from the use of money and property | $ 2,400 | $ - | $ 2,400 |
| Charges for services | 2,431 | - | 2,431 |
| Miscellaneous | 3,198 | 4,900 | 8,098 |
| Recovered costs | 10,169 | - | 10,169 |
| Intergovernmental: | | | |
| Commonwealth | - | 426,235 | 426,235 |
| Federal | - | 9,911 | 9,911 |
| Total revenues | $ 18,198 | $ 441,046 | $ 459,244 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public works | $ 34,764 | $ - | $ 34,764 |
| Health and welfare | - | 607,820 | 607,820 |
| Total expenditures | $ 34,764 | $ 607,820 | $ 642,584 |
| Excess (deficiency) of revenues over (under) expenditures | $ (16,566) | $ (166,774) | $ (183,340) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | $ 15,018 | $ 166,848 | $ 181,866 |
| Total other financing sources (uses) | $ 15,018 | $ 166,848 | $ 181,866 |
| Net change in fund balances | $ (1,548) | $ 74 | $ (1,474) |
| Fund balances - beginning | 3,925 | 22,161 | 26,086 |
| Fund balances - ending | $ 2,377 | $ 22,235 | $ 24,612 |

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

| | Airport Fund | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | Variance with Final Budget Positive |
| | Original | Final | Actual | (Negative) |
| **REVENUES** | | | | |
| Revenue from the use of money and property | $ 3,000 | $ 3,000 | $ 2,400 | $ (600) |
| Charges for services | 16,200 | 16,200 | 2,431 | (13,769) |
| Miscellaneous | - | - | 3,198 | 3,198 |
| Recovered costs | 15,569 | 15,569 | 10,169 | (5,400) |
| Intergovernmental: | | | | |
| Commonwealth | - | - | - | - |
| Federal | - | - | - | - |
| Total revenues | $ 34,769 | $ 34,769 | $ 18,198 | $ (16,571) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public works | $ 69,259 | $ 69,259 | $ 34,764 | $ 34,495 |
| Health and welfare | - | - | - | - |
| Total expenditures | $ 69,259 | $ 69,259 | $ 34,764 | $ 34,495 |
| Excess (deficiency) of revenues over (under) expenditures | $ (34,490) | $ (34,490) | $ (16,566) | $ 17,924 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ 34,490 | $ 34,490 | $ 15,018 | $ (19,472) |
| Total other financing sources (uses) | $ 34,490 | $ 34,490 | $ 15,018 | $ (19,472) |
| Net change in fund balances | $ - | $ - | $ (1,548) | $ (1,548) |
| Fund balances - beginning | - | - | 3,925 | 3,925 |
| Fund balances - ending | $ - | $ - | $ 2,377 | $ 2,377 |

**Exhibit 15**

| CSA Fund | | | |
|---|---|---|---|
| Budgeted Amounts | | | Variance with Final Budget Positive |
| Original | Final | Actual | (Negative) |
| $ - | $ - | $ - | $ - |
| - | - | - | - |
| 4,000 | 4,000 | 4,900 | 900 |
| - | - | - | - |
| 619,110 | 619,110 | 426,235 | (192,875) |
| 12,200 | 12,200 | 9,911 | (2,289) |
| $ 635,310 | $ 635,310 | $ 441,046 | $ (194,264) |
| $ - | $ - | $ - | $ - |
| 888,360 | 888,360 | 607,820 | 280,540 |
| $ 888,360 | $ 888,360 | $ 607,820 | $ 280,540 |
| $ (253,050) | $ (253,050) | $ (166,774) | $ 86,276 |
| $ 253,050 | $ 253,050 | $ 166,848 | $ (86,202) |
| $ 253,050 | $ 253,050 | $ 166,848 | $ (86,202) |
| $ - | $ - | $ 74 | $ 74 |
| - | - | 22,161 | 22,161 |
| $ - | $ - | $ 22,235 | $ 22,235 |

Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

| | Agency Funds | | | |
|---|---|---|---|---|
| | **Special Welfare Fund** | **Sheriff Funds** | **Bond Escrow Fund** | **Total** |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 774 | $ 5,683 | $ 22,755 | $ 29,212 |
| Total assets | $ 774 | $ 5,683 | $ 22,755 | $ 29,212 |
| **LIABILITIES** | | | | |
| Amounts held for social services clients | $ 774 | $ - | $ - | $ 774 |
| Amounts held for others | - | 5,683 | - | 5,683 |
| Escrow deposits payable | - | - | 22,755 | 22,755 |
| Total liabilities | $ 774 | $ 5,683 | $ 22,755 | $ 29,212 |

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---|---|---|---|
| **SPECIAL WELFARE FUND:** | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 4,241 | $ 7,379 | $ 10,846 | $ 774 |
| Liabilities | | | | |
| Amounts held for social services clients | $ 4,241 | $ 7,379 | $ 10,846 | $ 774 |
| **SHERIFF FUNDS:** | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 1,983 | $ 32,911 | $ 29,211 | $ 5,683 |
| Liabilities | | | | |
| Amounts held for others | $ 1,983 | $ 32,911 | $ 29,211 | $ 5,683 |
| **BOND ESCROW FUND:** | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 22,755 | $ - | $ - | $ 22,755 |
| Liabilities | | | | |
| Escrow deposits payable | $ 22,755 | $ - | $ - | $ 22,755 |
| **UNDISTRIBUTED LOCAL SALES TAX FUND:** | | | | |
| Assets | | | | |
| Due from other governmental units | $ - | $ 3,485,192 | $ 3,485,192 | $ - |
| Liabilities | | | | |
| Due to other funds | $ - | $ 3,485,192 | $ 3,485,192 | $ - |
| **TOTALS - ALL AGENCY FUNDS:** | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 28,979 | $ 40,290 | $ 40,057 | $ 29,212 |
| Due from other governmental units | - | 3,485,192 | 3,485,192 | - |
| Total assets | $ 28,979 | $ 3,525,482 | $ 3,525,249 | $ 29,212 |
| Liabilities | | | | |
| Due to other funds | $ - | $ 3,485,192 | $ 3,485,192 | $ - |
| Amounts held for social services clients | 4,241 | 7,379 | 10,846 | 774 |
| Amounts held for others | 1,983 | 32,911 | 29,211 | 5,683 |
| Escrow deposits payable | 22,755 | - | - | 22,755 |
| Total liabilities | $ 28,979 | $ 3,525,482 | $ 3,525,249 | $ 29,212 |

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2014

| | School Operating Fund | School Cafeteria Fund | School Capital Projects Fund | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 858,712 | $ 281,101 | $ - | $ 1,139,813 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Accounts receivable | 21,227 | 10,265 | - | 31,492 |
| Due from other governmental units | 1,078,255 | 59,421 | - | 1,137,676 |
| Total assets | $ 1,958,194 | $ 350,787 | $ - | $ 2,308,981 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 94,857 | $ 553 | $ - | $ 95,410 |
| Accrued liabilities | 1,862,837 | 66,610 | - | 1,929,447 |
| Total liabilities | $ 1,957,694 | $ 67,163 | $ - | $ 2,024,857 |
| Fund balances: | | | | |
| Committed: | | | | |
| Cafeteria operations | $ - | $ 283,624 | $ - | $ 283,624 |
| Unassigned: | | | | |
| School operations | 500 | - | - | 500 |
| Total fund balances | $ 500 | $ 283,624 | $ - | $ 284,124 |
| Total liabilities and fund balances | $ 1,958,194 | $ 350,787 | $ - | $ 2,308,981 |

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

| | | |
|---|---|---|
| Total fund balances per above | | $ 284,124 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Land | $ 25,822 | |
| Buildings and improvements | 6,245,701 | |
| Machinery, equipment, and vehicles | 857,250 | 7,128,773 |
| Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Compensated absences | $ (574,558) | |
| Net OPEB obligation | (311,382) | (885,940) |
| Net position of governmental activities | | $ 6,526,957 |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2014

| | School Operating Fund | School Cafeteria Fund | School Capital Projects Fund | Total Governmental Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Revenue from the use of money and property | $ 200 | $ - | $ - | $ 200 |
| Charges for services | - | 211,849 | - | 211,849 |
| Miscellaneous | 434,859 | 1,265 | - | 436,124 |
| Intergovernmental: | | | | |
| Local government | 4,290,444 | - | 75,992 | 4,366,436 |
| Commonwealth | 13,918,448 | 11,558 | - | 13,930,006 |
| Federal | 1,576,090 | 955,454 | - | 2,531,544 |
| Total revenues | $ 20,220,041 | $ 1,180,126 | $ 75,992 | $ 21,476,159 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Education | $ 19,232,414 | $ 1,142,958 | $ - | $ 20,375,372 |
| Capital projects | 987,627 | - | 75,992 | 1,063,619 |
| Total expenditures | $ 20,220,041 | $ 1,142,958 | $ 75,992 | $ 21,438,991 |
| Net change in fund balances | $ - | $ 37,168 | $ - | $ 37,168 |
| Fund balances - beginning | 500 | 246,456 | - | 246,956 |
| Fund balances - ending | $ 500 | $ 283,624 | $ - | $ 284,124 |

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds - per above | | $ 37,168 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. | | |
| Capital asset additions | $ 75,992 | |
| Depreciation | (403,336) | |
| Adjustment for jointly owned assets | 540,187 | |
| Depreciation adjustment for jointly owned assets | (234,565) | (21,722) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This is the amount of change compared to the prior year. | | |
| Compensated absences | $ (5,141) | |
| Net OPEB obligation | (59,402) | (64,543) |
| Change in net position of governmental activities | | $ (49,097) |

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2014

| | School Operating Fund | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | Variance with Final Budget Positive |
| | Original | Final | Actual | (Negative) |
| **REVENUES** | | | | |
| Revenue from the use of money and property | $ 1,000 | $ 1,000 | $ 200 | $ (800) |
| Charges for services | - | - | - | - |
| Miscellaneous | 362,000 | 364,903 | 434,859 | 69,956 |
| Intergovernmental: | | | | |
| Local government | 4,451,656 | 4,343,821 | 4,290,444 | (53,377) |
| Commonwealth | 13,910,476 | 14,114,456 | 13,918,448 | (196,008) |
| Federal | 1,554,084 | 1,711,270 | 1,576,090 | (135,180) |
| Total revenues | $ 20,279,216 | $ 20,535,450 | $ 20,220,041 | $ (315,409) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Education | $ 19,465,159 | $ 19,625,248 | $ 19,232,414 | $ 392,834 |
| Capital projects | 826,500 | 1,030,480 | 987,627 | 42,853 |
| Total expenditures | $ 20,291,659 | $ 20,655,728 | $ 20,220,041 | $ 435,687 |
| Net change in fund balances | $ (12,443) | $ (120,278) | $ - | $ 120,278 |
| Fund balances - beginning | - | - | 500 | 500 |
| Fund balances - ending | $ (12,443) | $ (120,278) | $ 500 | $ 120,778 |

| School Cafeteria Fund | | | | School Capital Projects Fund | | | |
|---|---|---|---|---|---|---|---|
| Budgeted Amounts | | | Variance with Final Budget Positive | Budgeted Amounts | | | Variance with Final Budget Positive |
| Original | Final | Actual | (Negative) | Original | Final | Actual | (Negative) |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 384,200 | 384,200 | 211,849 | (172,351) | - | - | - | - |
| - | - | 1,265 | 1,265 | - | - | - | - |
| - | - | - | - | 76,000 | 76,000 | 75,992 | (8) |
| 13,440 | 13,440 | 11,558 | (1,882) | - | - | - | - |
| 820,000 | 820,000 | 955,454 | 135,454 | - | - | - | - |
| $ 1,217,640 | $ 1,217,640 | $ 1,180,126 | $ (37,514) | $ 76,000 | $ 76,000 | $ 75,992 | $ (8) |
| $ 1,217,640 | $ 1,217,640 | $ 1,142,958 | $ 74,682 | $ - | $ - | $ - | $ - |
| - | - | - | - | 76,000 | 76,000 | 75,992 | 8 |
| $ 1,217,640 | $ 1,217,640 | $ 1,142,958 | $ 74,682 | $ 76,000 | $ 76,000 | $ 75,992 | $ 8 |
| $ - | $ - | $ 37,168 | $ 37,168 | $ - | $ - | $ - | $ - |
| - | - | 246,456 | 246,456 | - | 24,215 | - | (24,215) |
| $ - | $ - | $ 283,624 | $ 283,624 | $ - | $ 24,215 | $ - | $ (24,215) |

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# Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund:** | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | $ 5,870,000 | $ 5,870,000 | $ 6,003,334 | $ 133,334 |
| Real and personal public service corporation taxes | 280,000 | 280,000 | 300,527 | 20,527 |
| Personal property taxes | 2,109,000 | 2,109,000 | 2,175,514 | 66,514 |
| Mobile home taxes | 36,000 | 36,000 | 38,675 | 2,675 |
| Machinery and tools taxes | 455,000 | 455,000 | 466,603 | 11,603 |
| Merchants capital taxes | 165,000 | 165,000 | 170,065 | 5,065 |
| Penalties | 90,000 | 90,000 | 116,509 | 26,509 |
| Interest | 45,000 | 45,000 | 67,117 | 22,117 |
| Total general property taxes | $ 9,050,000 | $ 9,050,000 | $ 9,338,344 | $ 288,344 |
| Other local taxes: | | | | |
| Local sales and use taxes | $ 655,000 | $ 655,000 | $ 3,277,894 | $ 2,622,894 |
| Consumers' utility taxes | 255,000 | 255,000 | 255,433 | 433 |
| Bank stock taxes | 18,000 | 18,000 | 14,988 | (3,012) |
| Franchise license taxes | 25,000 | 25,000 | 31,456 | 6,456 |
| Motor vehicle licenses | 340,000 | 340,000 | 331,336 | (8,664) |
| Taxes on recordation and wills | 65,000 | 65,000 | 57,414 | (7,586) |
| Utility consumption taxes | 45,000 | 45,000 | 46,976 | 1,976 |
| Hotel and motel room taxes | 15,000 | 15,000 | 17,531 | 2,531 |
| Total other local taxes | $ 1,418,000 | $ 1,418,000 | $ 4,033,028 | $ 2,615,028 |
| Permits, privilege fees, and regulatory licenses: | | | | |
| Animal licenses | $ 25,000 | $ 25,000 | $ 23,635 | $ (1,365) |
| Zoning application fees | 6,000 | 6,000 | 7,405 | 1,405 |
| Transfer fees | 600 | 600 | 646 | 46 |
| Permits and other licenses | 50,000 | 50,000 | 57,278 | 7,278 |
| Total permits, privilege fees, and regulatory licenses | $ 81,600 | $ 81,600 | $ 88,964 | $ 7,364 |
| Fines and forfeitures: | | | | |
| Court fines and forfeitures | $ 750,000 | $ 1,000,000 | $ 902,121 | $ (97,879) |
| Interest on court fines and forfeitures | - | - | 6,095 | 6,095 |
| Total fines and forfeitures | 750,000 | 1,000,000 | 908,216 | (91,784) |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | $ 50,000 | $ 50,000 | $ 50,022 | $ 22 |
| Revenue from use of property | 22,600 | 22,600 | 22,600 | - |
| Total revenue from use of money and property | $ 72,600 | $ 72,600 | $ 72,622 | $ 22 |
| Charges for services: | | | | |
| Charges for law enforcement and traffic control | $ 1,000 | $ 1,000 | $ 990 | $ (10) |
| Charges for courthouse maintenance | 29,000 | 29,000 | 35,150 | 6,150 |
| Charges for court costs | 150,000 | 150,000 | 181,980 | 31,980 |
| Law library fees | 2,000 | 2,000 | 1,723 | (277) |
| Charges for Commonwealth's Attorney | 1,500 | 1,500 | 2,644 | 1,144 |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund: (Continued)** | | | | |
| Revenue from local sources: (Continued) | | | | |
| Charges for services: (Continued) | | | | |
| Miscellaneous jail and inmate fees | $ 5,000 | $ 5,000 | $ 6,888 | $ 1,888 |
| Animal shelter fees | 100 | 100 | 1,097 | 997 |
| Charges for sanitation and waste removal | 150,000 | 150,000 | 142,459 | (7,541) |
| Charges for landfill host fees | 200,000 | 200,000 | 243,605 | 43,605 |
| Charges for planning and community development | 2,000 | 2,000 | 1,906 | (94) |
| Charges for off-track betting | 25,000 | 25,000 | 12,598 | (12,402) |
| Total charges for services | $ 565,600 | $ 565,600 | $ 631,040 | $ 65,440 |
| Miscellaneous revenue: | | | | |
| Miscellaneous | $ 20,000 | $ 120,928 | $ 203,273 | $ 82,345 |
| Total miscellaneous revenue | $ 20,000 | $ 120,928 | $ 203,273 | $ 82,345 |
| Recovered costs: | | | | |
| Landfill inspection fees | $ 135,000 | $ 135,000 | $ 148,692 | $ 13,692 |
| Tax bills - Lawrenceville | 2,000 | 2,000 | 2,713 | 713 |
| School resource officer | 96,435 | 96,435 | 96,435 | - |
| Clerk of Circuit Court copy cost reimbursement | - | - | 2,621 | 2,621 |
| Sheriff contracted security | - | 20,000 | 16,775 | (3,225) |
| Total recovered costs | $ 233,435 | $ 253,435 | $ 267,236 | $ 13,801 |
| Total revenue from local sources | $ 12,191,235 | $ 12,562,163 | $ 15,542,723 | $ 2,980,560 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Grantor's tax | $ 15,000 | $ 15,000 | $ 14,703 | $ (297) |
| Mobile home titling tax | 30,000 | 30,000 | 45,390 | 15,390 |
| Rolling stock tax | 8,500 | 8,500 | 4,996 | (3,504) |
| Motor vehicle rental tax | - | - | 2,967 | 2,967 |
| State recordation tax | 22,000 | 22,000 | 22,566 | 566 |
| Personal property tax relief funds | 1,355,735 | 1,355,735 | 1,355,736 | 1 |
| Communication taxes | 430,000 | 430,000 | 421,173 | (8,827) |
| Total noncategorical aid | $ 1,861,235 | $ 1,861,235 | $ 1,867,531 | $ 6,296 |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | $ 320,000 | $ 320,000 | $ 327,037 | $ 7,037 |
| Sheriff | 990,000 | 990,000 | 990,815 | 815 |
| Commissioner of revenue | 88,000 | 88,000 | 90,906 | 2,906 |
| Treasurer | 80,000 | 80,000 | 82,342 | 2,342 |
| Registrar/electoral board | 36,000 | 36,000 | 34,525 | (1,475) |
| Clerk of the Circuit Court | 202,000 | 209,824 | 209,255 | (569) |
| Total shared expenses | $ 1,716,000 | $ 1,723,824 | $ 1,734,880 | $ 11,056 |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | | Original Budget | | Final Budget | | Actual | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|---|---|---|---|
| **General Fund: (Continued)** | | | | | | | | |
| Intergovernmental: (Continued) | | | | | | | | |
| Revenue from the Commonwealth: (Continued) | | | | | | | | |
| Categorical aid: (Continued) | | | | | | | | |
| Other categorical aid: | | | | | | | | |
| Emergency medical services - four for life | $ | 16,000 | $ | 16,000 | $ | 15,418 | $ | (582) |
| Fire program funds | | 48,000 | | 91,922 | | 90,173 | | (1,749) |
| VFRIS - Fire program grant | | - | | 1,000 | | 1,000 | | - |
| Litter control grant | | 8,386 | | 8,386 | | 7,398 | | (988) |
| Emergency management grant | | - | | - | | 784 | | 784 |
| Victim witness grant | | 55,000 | | 55,000 | | 56,597 | | 1,597 |
| PSAP - Phase II - Wireless | | 75,000 | | 75,000 | | 113,975 | | 38,975 |
| DMV license agent commission | | 19,500 | | 19,500 | | 24,541 | | 5,041 |
| Drug forfeiture funds | | 35,000 | | 35,000 | | 12,693 | | (22,307) |
| Arts Grant | | 5,000 | | 5,000 | | 5,000 | | - |
| Pesticide grant | | - | | 1,842 | | 1,842 | | - |
| Other grants | | - | | 7,500 | | - | | (7,500) |
| Total other categorical aid | $ | 261,886 | $ | 316,150 | $ | 329,421 | $ | 13,271 |
| Total categorical aid | $ | 1,977,886 | $ | 2,039,974 | $ | 2,064,301 | $ | 24,327 |
| Total revenue from the Commonwealth | $ | 3,839,121 | $ | 3,901,209 | $ | 3,931,832 | $ | 30,623 |
| Revenue from the federal government: | | | | | | | | |
| Categorical aid: | | | | | | | | |
| VDEM grant - EOC upgrade | $ | - | $ | 24,966 | $ | - | $ | (24,966) |
| Byrne one-time equipment grant | | - | | 31,500 | | 31,500 | | - |
| Drug forfeiture funds | | 25,000 | | 25,000 | | 8,119 | | (16,881) |
| Cost allocation plan | | 35,000 | | 35,000 | | 43,545 | | 8,545 |
| FEMA grant | | - | | - | | 2,942 | | 2,942 |
| JAG Byrne grant | | - | | 1,476 | | 1,423 | | (53) |
| Stormwater management grant | | - | | 7,760 | | 8,500 | | 740 |
| Total categorical aid | $ | 60,000 | $ | 125,702 | $ | 96,029 | $ | (29,673) |
| Total revenue from the federal government | $ | 60,000 | $ | 125,702 | $ | 96,029 | $ | (29,673) |
| Total General Fund | $ | 16,090,356 | $ | 16,589,074 | $ | 19,570,584 | $ | 2,981,510 |
| **Special Revenue Funds:** | | | | | | | | |
| **Virginia Public Assistance Fund:** | | | | | | | | |
| Revenue from local sources: | | | | | | | | |
| Miscellaneous revenue: | | | | | | | | |
| Expenditure refunds | $ | - | $ | - | $ | 1,740 | $ | 1,740 |
| Total miscellaneous revenue | $ | - | $ | - | $ | 1,740 | $ | 1,740 |
| Intergovernmental: | | | | | | | | |
| Revenue from the Commonwealth: | | | | | | | | |
| Categorical aid: | | | | | | | | |
| Public assistance and welfare administration | $ | 608,123 | $ | 625,423 | $ | 541,065 | $ | (84,358) |
| Total revenue from the Commonwealth | $ | 608,123 | $ | 625,423 | $ | 541,065 | $ | (84,358) |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Special Revenue Funds: (Continued)** | | | | |
| **Virginia Public Assistance Fund: (Continued)** | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Public assistance and welfare administration | $ 891,389 | $ 905,339 | $ 1,022,906 | $ 117,567 |
| Total revenue from the federal government | $ 891,389 | $ 905,339 | $ 1,022,906 | $ 117,567 |
| Total Virginia Public Assistance Fund | $ 1,499,512 | $ 1,530,762 | $ 1,565,711 | $ 34,949 |
| **Airport Commission Fund:** | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of property | $ 3,000 | $ 3,000 | $ 2,400 | $ (600) |
| Charges for services: | | | | |
| Sale of fuel | $ 16,200 | $ 16,200 | $ 2,431 | $ (13,769) |
| Miscellaneous revenue: | | | | |
| Expenditure refunds | $ - | $ - | $ 3,198 | $ 3,198 |
| Recovered costs: | | | | |
| Recovered costs - Lawrenceville | $ 15,569 | $ 15,569 | $ 10,169 | $ (5,400) |
| Total revenue from local sources | $ 34,769 | $ 34,769 | $ 18,198 | $ (16,571) |
| Total Airport Commission Fund | $ 34,769 | $ 34,769 | $ 18,198 | $ (16,571) |
| **CSA Fund:** | | | | |
| Revenue from local sources: | | | | |
| Miscellaneous revenue: | | | | |
| Expenditure refunds | $ 4,000 | $ 4,000 | $ 4,900 | $ 900 |
| Total miscellaneous revenue | $ 4,000 | $ 4,000 | $ 4,900 | $ 900 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Comprehensive Services Act | $ 617,560 | $ 617,560 | $ 424,980 | $ (192,580) |
| PSSF grant | 1,550 | 1,550 | 1,255 | (295) |
| Total categorical aid | $ 619,110 | $ 619,110 | $ 426,235 | $ (192,875) |
| Total revenue from the Commonwealth | $ 619,110 | $ 619,110 | $ 426,235 | $ (192,875) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| PSSF grant | $ 12,200 | $ 12,200 | $ 9,911 | $ (2,289) |
| Total CSA Fund | $ 635,310 | $ 635,310 | $ 441,046 | $ (194,264) |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Debt Service Fund:** | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | $ 7,500 | $ 7,500 | $ 41,992 | $ 34,492 |
| Intergovernmental: | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Federal interest subsidy | $ 59,367 | $ 59,367 | $ 60,343 | $ 976 |
| Total Debt Service Fund | $ 66,867 | $ 66,867 | $ 102,335 | $ 35,468 |
| **Capital Projects Funds:** | | | | |
| **County Capital Improvements Fund:** | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | $ 3,000 | $ 3,000 | $ 5,603 | $ 2,603 |
| Miscellaneous revenue: | | | | |
| Miscellaneous | $ - | $ - | $ 483 | $ 483 |
| Total revenue from local sources | $ 3,000 | $ 3,000 | $ 6,086 | $ 3,086 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| OEMS 911 Upgrade grant | $ - | $ 60,168 | $ - | $ (60,168) |
| Tobacco grant | 434,968 | 434,968 | 64,520 | (370,448) |
| Hazard mitigation grant - State match | - | 2,770 | - | (2,770) |
| Total categorical aid | $ 434,968 | $ 497,906 | $ 64,520 | $ (433,386) |
| Total revenue from the Commonwealth | $ 434,968 | $ 497,906 | $ 64,520 | $ (433,386) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Community Development Block Grant | $ 521,625 | $ 521,625 | $ 138,453 | $ (383,172) |
| FEMA - Hazard mitigation grant | - | 10,388 | - | (10,388) |
| VDOT grant | 621,525 | 621,525 | 128,699 | (492,826) |
| Total categorical aid | $ 1,143,150 | $ 1,153,538 | $ 267,152 | $ (886,386) |
| Total revenue from the federal government | $ 1,143,150 | $ 1,153,538 | $ 267,152 | $ (886,386) |
| Total County Capital Improvements Fund | $ 1,581,118 | $ 1,654,444 | $ 337,758 | $ (1,316,686) |
| **DF School Capital Projects Fund:** | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | $ - | $ - | $ 68 | $ 68 |
| Total revenue from local sources | $ - | $ - | $ 68 | $ 68 |
| Total DF School Capital Projects Fund | $ - | $ - | $ 68 | $ 68 |
| Total Primary Government | $ 19,907,932 | $ 20,511,226 | $ 22,035,700 | $ 1,524,474 |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Discretely Presented Component Unit - School Board:** | | | | |
| **School Operating Fund:** | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of property | $ 1,000 | $ 1,000 | $ 200 | $ (800) |
| Miscellaneous revenue: | | | | |
| E-Rate | $ 220,000 | $ 220,000 | $ 226,505 | $ 6,505 |
| Other miscellaneous | 142,000 | 144,903 | 208,354 | 63,451 |
| Total miscellaneous revenue | $ 362,000 | $ 364,903 | $ 434,859 | $ 69,956 |
| Total revenue from local sources | $ 363,000 | $ 365,903 | $ 435,059 | $ 69,156 |
| Intergovernmental: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Brunswick, Virginia | $ 4,451,656 | $ 4,343,821 | $ 4,290,444 | $ (53,377) |
| Total revenues from local governments | $ 4,451,656 | $ 4,343,821 | $ 4,290,444 | $ (53,377) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | $ 2,337,892 | $ 2,337,892 | $ 2,254,874 | $ (83,018) |
| Basic school aid | 6,049,568 | 6,049,568 | 5,797,775 | (251,793) |
| Remedial summer education | 115,534 | 115,534 | 106,047 | (9,487) |
| Regular foster care | 14,228 | 14,228 | 2,959 | (11,269) |
| Special education foster care | - | - | 18,406 | 18,406 |
| Adult secondary education | 13,590 | 13,590 | 55,440 | 41,850 |
| Gifted and talented | 61,913 | 61,913 | 61,187 | (726) |
| Remedial education | 394,357 | 394,357 | 389,735 | (4,622) |
| Compensation supplement | - | - | 155,338 | 155,338 |
| Special education | 1,061,937 | 1,061,937 | 1,049,492 | (12,445) |
| Textbook payment | 120,770 | 120,770 | 109,138 | (11,632) |
| Vocational standards of quality payments | 193,814 | 193,814 | 191,542 | (2,272) |
| Vocational education - equipment | - | - | 4,787 | 4,787 |
| Vocational occupational preparedness | 21,659 | 21,659 | 25,236 | 3,577 |
| Social security fringe benefits | 409,162 | 409,162 | 404,367 | (4,795) |
| Retirement fringe benefits | 792,731 | 792,731 | 675,719 | (117,012) |
| Group life fringe benefits | 25,573 | 25,573 | 25,273 | (300) |
| Early reading intervention | 42,491 | 42,491 | 55,909 | 13,418 |
| Homebound education | 15,069 | 15,069 | 13,144 | (1,925) |
| At risk payments | 637,183 | 637,183 | 629,760 | (7,423) |
| At risk payments - 4 year olds | 232,081 | 232,081 | 232,081 | - |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Discretely Presented Component Unit - School Board: (Continued)** | | | | |
| **School Operating Fund: (Continued)** | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: (Continued) | | | | |
| State disparity initiatives | $ 623,436 | $ 623,436 | $ 621,322 | $ (2,114) |
| Alternative education | 393,365 | 393,365 | 405,091 | 11,726 |
| Technology | 200,000 | 403,980 | 384,681 | (19,299) |
| Standards of Learning algebra readiness | 43,555 | 43,555 | 43,448 | (107) |
| Mentor teacher program | 2,453 | 2,453 | 1,363 | (1,090) |
| English as a second language | 8,115 | 8,115 | 23,063 | 14,948 |
| Additional Assist Retirement Inflation Preschool Cost | - | - | 165,161 | 165,161 |
| Other state funds | 100,000 | 100,000 | 16,110 | (83,890) |
| Total categorical aid | $ 13,910,476 | $ 14,114,456 | $ 13,918,448 | $ (196,008) |
| Total revenue from the Commonwealth | $ 13,910,476 | $ 14,114,456 | $ 13,918,448 | $ (196,008) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | $ 639,473 | $ 660,879 | $ 626,498 | $ (34,381) |
| Title VI-B, special education flow-through | 519,544 | 565,430 | 499,876 | (65,554) |
| Vocational education | 55,000 | 55,000 | 39,509 | (15,491) |
| Title VI-B, special education pre-school | 11,836 | 12,698 | 9,808 | (2,890) |
| Rural and low income schools | 38,627 | 65,383 | 42,518 | (22,865) |
| Title II, Part A | 133,886 | 159,931 | 152,771 | (7,160) |
| Head Start | 104,718 | 104,718 | 104,718 | - |
| JROTC | 51,000 | 51,000 | 64,116 | 13,116 |
| AP test fee | - | - | 45 | 45 |
| School Improvement Grants | - | 36,231 | 36,231 | - |
| Total categorical aid | $ 1,554,084 | $ 1,711,270 | $ 1,576,090 | $ (135,180) |
| Total revenue from the federal government | $ 1,554,084 | $ 1,711,270 | $ 1,576,090 | $ (135,180) |
| Total School Operating Fund | $ 20,279,216 | $ 20,535,450 | $ 20,220,041 | $ (315,409) |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Discretely Presented Component Unit - School Board: (Continued)** | | | | |
| **Special Revenue Fund:** | | | | |
| **School Cafeteria Fund:** | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Cafeteria sales | $ 384,200 | $ 384,200 | $ 211,849 | $ (172,351) |
| Miscellaneous revenue: | | | | |
| Other miscellaneous | $ - | $ - | $ 1,265 | $ 1,265 |
| Total revenue from local sources | $ 384,200 | $ 384,200 | $ 213,114 | $ (171,086) |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food program grant | $ 13,440 | $ 13,440 | $ 11,558 | $ (1,882) |
| Total categorical aid | $ 13,440 | $ 13,440 | $ 11,558 | $ (1,882) |
| Total revenue from the Commonwealth | $ 13,440 | $ 13,440 | $ 11,558 | $ (1,882) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School food program grant | $ 820,000 | $ 820,000 | $ 800,916 | $ (19,084) |
| Fresh fruit and vegetables grant | - | - | 58,948 | 58,948 |
| Summer feeding program | - | - | 22,637 | 22,637 |
| Commodities | - | - | 72,953 | 72,953 |
| Total categorical aid | $ 820,000 | $ 820,000 | $ 955,454 | $ 135,454 |
| Total School Cafeteria Fund | $ 1,217,640 | $ 1,217,640 | $ 1,180,126 | $ (37,514) |
| **Capital Projects Fund:** | | | | |
| **School Capital Improvements Fund:** | | | | |
| Intergovernmental: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Brunswick, Virginia | $ 76,000 | $ 76,000 | $ 75,992 | $ (8) |
| Total School Capital Improvements Fund | $ 76,000 | $ 76,000 | $ 75,992 | $ (8) |
| Total Discretely Presented Component Unit - School Board | $ 21,572,856 | $ 21,829,090 | $ 21,476,159 | $ (352,931) |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund:** | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | $ 169,590 | $ 242,897 | $ 242,897 | $ - |
| General and financial administration: | | | | |
| County administrator | $ 282,747 | $ 282,747 | $ 281,572 | $ 1,175 |
| Independent auditor | 28,500 | 28,500 | 28,500 | - |
| Commissioner of revenue | 234,487 | 234,487 | 230,954 | 3,533 |
| Treasurer | 257,143 | 257,143 | 255,429 | 1,714 |
| Finance department | 251,508 | 251,503 | 250,754 | 749 |
| DMV select | 19,500 | 23,451 | 23,193 | 258 |
| Total general and financial administration | $ 1,073,885 | $ 1,077,831 | $ 1,070,402 | $ 7,429 |
| Board of elections: | | | | |
| Electoral board and officials | $ 34,578 | $ 34,578 | $ 29,333 | $ 5,245 |
| Registrar | 91,135 | 91,135 | 84,308 | 6,827 |
| Total board of elections | $ 125,713 | $ 125,713 | $ 113,641 | $ 12,072 |
| Total general government administration | $ 1,369,188 | $ 1,446,441 | $ 1,426,940 | $ 19,501 |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | $ 31,191 | $ 32,168 | $ 32,168 | $ - |
| General district court | 13,955 | 14,227 | 14,227 | - |
| Special magistrates | 1,650 | 1,378 | 711 | 667 |
| Clerk of the circuit court | 312,449 | 319,297 | 317,043 | 2,254 |
| Law library | 2,000 | 2,000 | 1,031 | 969 |
| Victim/witness assistance program | 71,386 | 71,386 | 70,994 | 392 |
| Courthouse security | 450,938 | 502,067 | 496,311 | 5,756 |
| Total courts | $ 883,569 | $ 942,523 | $ 932,485 | $ 10,038 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | $ 465,614 | $ 465,614 | $ 464,542 | $ 1,072 |
| Asset forfeiture | 25,000 | 25,000 | 16,617 | 8,383 |
| Total commonwealth's attorney | $ 490,614 | $ 490,614 | $ 481,159 | $ 9,455 |
| Total judicial administration | $ 1,374,183 | $ 1,433,137 | $ 1,413,644 | $ 19,493 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | $ 1,692,776 | $ 2,026,485 | $ 2,001,937 | $ 24,548 |
| Sheriff - line of duty | 21,510 | 21,510 | 21,510 | - |
| Asset forfeiture | 35,000 | 35,000 | 6,472 | 28,528 |
| E911 system | 612,174 | 637,140 | 609,363 | 27,777 |
| School resource officer | 103,351 | 103,351 | 102,939 | 412 |
| Total law enforcement and traffic control | $ 2,464,811 | $ 2,823,486 | $ 2,742,221 | $ 81,265 |
| Fire and rescue services: | | | | |
| Fire and rescue | $ 451,602 | $ 546,574 | $ 532,872 | $ 13,702 |
| Medflight program | 770 | 770 | 770 | - |
| Division of forestry | 22,603 | 22,603 | 22,603 | - |
| Total fire and rescue services | $ 474,975 | $ 569,947 | $ 556,245 | $ 13,702 |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund: (Continued)** | | | | |
| Public safety: (Continued) | | | | |
| Correction and detention: | | | | |
| Meherrin River Regional Jail Authority | $ 2,239,810 | $ 2,244,379 | $ 2,244,379 | $ - |
| VJCCCA | 635 | 635 | 635 | - |
| Probation office | 51,410 | 73,385 | 73,385 | - |
| Total correction and detention | $ 2,291,855 | $ 2,318,399 | $ 2,318,399 | $ - |
| Inspections: | | | | |
| Building | $ 119,598 | $ 121,974 | $ 121,727 | $ 247 |
| Total inspections | $ 119,598 | $ 121,974 | $ 121,727 | $ 247 |
| Other protection: | | | | |
| Animal control | $ 135,890 | $ 133,514 | $ 132,249 | $ 1,265 |
| Medical examiner | 270 | 270 | 100 | 170 |
| Emergency services | 8,457 | 15,957 | 15,910 | 47 |
| Total other protection | $ 144,617 | $ 149,741 | $ 148,259 | $ 1,482 |
| Total public safety | $ 5,495,856 | $ 5,983,547 | $ 5,886,851 | $ 96,696 |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Highways, streets, bridges and sidewalks | $ 25,000 | $ 50,000 | $ 50,000 | $ - |
| Sanitation and waste removal: | | | | |
| Refuse collection and disposal | $ 738,759 | $ 771,324 | $ 771,324 | $ - |
| Litter control | 7,398 | 7,411 | 7,411 | - |
| Inmate litter control | 37,269 | 37,269 | 31,982 | 5,287 |
| Lake Gaston weed control | 50,000 | 50,000 | 50,000 | - |
| Total sanitation and waste removal | $ 833,426 | $ 866,004 | $ 860,717 | $ 5,287 |
| Maintenance of general buildings and grounds: | | | | |
| General properties | $ 321,047 | $ 298,967 | $ 258,643 | $ 40,324 |
| Courthouse maintenance | 29,000 | 131,198 | 131,198 | - |
| General engineering/administration | 165,880 | 152,267 | 144,579 | 7,688 |
| Total maintenance of general buildings and grounds | $ 515,927 | $ 582,432 | $ 534,420 | $ 48,012 |
| Total public works | $ 1,374,353 | $ 1,498,436 | $ 1,445,137 | $ 53,299 |
| Health and welfare: | | | | |
| Health: | | | | |
| Supplement of local health department | $ 94,178 | $ 94,178 | $ 94,178 | $ - |
| Mental health and mental retardation: | | | | |
| Southside Community Services Board | $ 43,488 | $ 43,488 | $ 43,488 | $ - |
| Welfare: | | | | |
| Local area on aging | $ 2,500 | $ 2,500 | $ 2,500 | $ - |
| Veteran's exemption on real estate | - | - | 8,458 | (8,458) |
| Southside senior citizens center | 3,848 | 3,848 | 3,848 | - |
| Total welfare | $ 6,348 | $ 6,348 | $ 14,806 | $ (8,458) |
| Total health and welfare | $ 144,014 | $ 144,014 | $ 152,472 | $ (8,458) |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund: (Continued)** | | | | |
| Education: | | | | |
| Other instructional costs: | | | | |
| Contributions to Southside Virginia Community College | $ 3,676 | $ 3,676 | $ 3,676 | $ - |
| Contribution to County School Board | 4,451,656 | 4,343,821 | 4,290,444 | 53,377 |
| Head Start program | 38,475 | 38,475 | 38,475 | - |
| Contributions to Saint Paul's College | 1,000 | 1,000 | 1,000 | - |
| Total education | $ 4,494,807 | $ 4,386,972 | $ 4,333,595 | $ 53,377 |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Recreation youth league | $ 12,505 | $ 12,505 | $ 12,505 | $ - |
| Water safety council | 3,500 | 6,738 | 6,738 | - |
| Total parks and recreation | $ 16,005 | $ 19,243 | $ 19,243 | $ - |
| Cultural enrichment: | | | | |
| Historical society | $ 900 | $ 900 | $ 900 | $ - |
| Chamber of commerce | 3,159 | 3,159 | 3,159 | - |
| Tourism association | 19,102 | 19,102 | 19,102 | - |
| Taste of Brunswick festival | 5,000 | 5,000 | 5,000 | - |
| Total cultural enrichment | $ 28,161 | $ 28,161 | $ 28,161 | $ - |
| Library: | | | | |
| Contribution to regional library | $ 184,838 | $ 184,838 | $ 184,481 | $ 357 |
| Total parks, recreation, and cultural | $ 229,004 | $ 232,242 | $ 231,885 | $ 357 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | $ 184,468 | $ 192,228 | $ 166,216 | $ 26,012 |
| Industrial development authority | 73,872 | 73,872 | 73,872 | - |
| Regional planning commission | 24,393 | 24,393 | 23,792 | 601 |
| Roanoke River Regional Business Park | 5,000 | 5,000 | 5,000 | - |
| Brunswick literacy council | $ 3,501 | $ 3,501 | $ 3,501 | $ - |
| Mecklenburg - Brunswick regional airport | 5,000 | 5,000 | 5,000 | - |
| Art bank | 10,000 | 10,000 | 10,000 | - |
| Total planning and community development | $ 306,234 | $ 313,994 | $ 287,381 | $ 26,613 |
| Environmental management: | | | | |
| Contribution to soil and water district | $ 11,543 | $ 11,543 | $ 11,543 | $ - |
| Cooperative extension program: | | | | |
| Extension office | $ 61,748 | $ 63,595 | $ 63,595 | $ - |
| Total community development | $ 379,525 | $ 389,132 | $ 362,519 | $ 26,613 |
| Capital projects: | | | | |
| Other capital projects | $ 7,500 | $ 7,500 | $ 7,500 | $ - |
| Total capital projects | $ 7,500 | $ 7,500 | $ 7,500 | $ - |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **General Fund: (Continued)** | | | | |
| Debt service: | | | | |
| Principal retirement | $ 432,894 | $ 432,894 | $ 431,752 | $ 1,142 |
| Interest and other fiscal charges | 134,870 | 134,870 | 134,748 | 122 |
| Total debt service | $ 567,764 | $ 567,764 | $ 566,500 | $ 1,264 |
| Total General Fund | $ 15,436,194 | $ 16,089,185 | $ 15,827,043 | $ 262,142 |
| **Special Revenue Funds:** | | | | |
| **Virginia Public Assistance Fund:** | | | | |
| Health and welfare: | | | | |
| Welfare and social services: | | | | |
| Welfare administration | $ 1,547,105 | $ 1,547,105 | $ 1,540,105 | $ 7,000 |
| Public assistance | 320,775 | 352,025 | 349,551 | 2,474 |
| Total welfare and social services | $ 1,867,880 | $ 1,899,130 | $ 1,889,656 | $ 9,474 |
| Total Virginia Public Assistance Fund | $ 1,867,880 | $ 1,899,130 | $ 1,889,656 | $ 9,474 |
| **Airport Commission Fund:** | | | | |
| Public works: | | | | |
| Maintenance of general buildings and grounds | $ 69,259 | $ 69,259 | $ 34,764 | $ 34,495 |
| Total Airport Commission Fund | $ 69,259 | $ 69,259 | $ 34,764 | $ 34,495 |
| **CSA Fund:** | | | | |
| Health and welfare: | | | | |
| Welfare and social services: | | | | |
| Comprehensive services | $ 888,360 | $ 888,360 | $ 607,820 | $ 280,540 |
| Total CSA Fund | $ 888,360 | $ 888,360 | $ 607,820 | $ 280,540 |
| **Debt Service Fund:** | | | | |
| Debt service: | | | | |
| Principal retirement | $ 636,411 | $ 636,411 | $ 566,187 | $ 70,224 |
| Interest and other fiscal charges | 387,273 | 387,273 | 387,273 | - |
| Total Debt Service Fund | $ 1,023,684 | $ 1,023,684 | $ 953,460 | $ 70,224 |
| **Capital Projects Funds:** | | | | |
| **County Capital Improvements Fund:** | | | | |
| Public safety: | | | | |
| Sheriff's vehicle/equipment | $ 105,922 | $ 175,646 | $ 175,521 | $ 125 |
| Fire and rescue services | 254,315 | 261,223 | 251,714 | 9,509 |
| Animal control | - | 28,603 | 28,603 | - |
| Total public safety | $ 360,237 | $ 465,472 | $ 455,838 | $ 9,634 |
| Public works: | | | | |
| Solid waste vehicles/equipment | $ - | $ 206,555 | $ 206,555 | $ - |
| Education: | | | | |
| County contribution to component unit school board | $ 76,000 | $ 76,000 | $ 75,992 | $ 8 |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Capital Projects Funds: (Continued)** | | | | |
| **County Capital Improvements Fund: (Continued)** | | | | |
| Parks, recreation, and cultural: | | | | |
| Cultural enrichment: | | | | |
| Fort Christanna preservation | $ 5,000 | $ 5,394 | $ 1,389 | $ 4,005 |
| Community Development: | | | | |
| IDA capital projects | $ 150,000 | $ 150,000 | $ 150,000 | $ - |
| IDA - Rte 58 water/wastewater project | - | 4,587,900 | 3,174,923 | 1,412,977 |
| Total community development | $ 150,000 | $ 4,737,900 | $ 3,324,923 | $ 1,412,977 |
| Capital projects: | | | | |
| E911 communications center | $ - | $ 60,167 | $ 60,167 | $ - |
| Housing needs planning grant | - | 11,664 | 11,664 | - |
| Simmons Drive CDBG grant | 62,250 | 135,771 | 47,017 | 88,754 |
| Silver Trail housing project | 459,375 | 459,375 | 68,926 | 390,449 |
| Byways Visitor Center - TICR | 434,968 | 434,968 | 64,520 | 370,448 |
| Byways Visitor Center - NSBP | 621,525 | 621,525 | 132,615 | 488,910 |
| Historic Courthouse renovations | 2,345,000 | 2,367,317 | 1,914,190 | 453,127 |
| Total capital projects | $ 3,923,118 | $ 4,090,787 | $ 2,299,099 | $ 1,791,688 |
| Debt service: | | | | |
| Interest and other fiscal charges | $ - | $ 300,196 | $ 92,767 | $ 207,429 |
| Issuance costs | - | 180,000 | 152,076 | 27,924 |
| Total debt service | $ - | $ 480,196 | $ 244,843 | $ 235,353 |
| Total County Capital Improvements Fund | $ 4,514,355 | $ 10,062,304 | $ 6,608,639 | $ 3,453,665 |
| **DF School Capital Projects Fund:** | | | | |
| Capital projects: | | | | |
| Red Oak Sturgeon roof | $ - | $ - | $ 158,986 | $ (158,986) |
| Tech CCTV - security equipment | - | - | 3,538 | (3,538) |
| Other renovations and upgrades | - | 168,396 | - | 168,396 |
| Total DF School Capital Projects Fund | $ - | $ 168,396 | $ 162,524 | $ 5,872 |
| Total Primary Government | $ 23,799,732 | $ 30,200,318 | $ 26,083,906 | $ 4,116,412 |

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| **Discretely Presented Component Unit - School Board:** | | | | |
| **School Operating Fund:** | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Elementary and secondary schools | $ 11,166,659 | $ 11,208,613 | $ 10,880,871 | $ 327,742 |
| Guidance services | 330,536 | 330,536 | 336,274 | (5,738) |
| Homebound instruction | - | - | 23,454 | (23,454) |
| Other instructional costs | 1,614,461 | 1,732,596 | 1,957,690 | (225,094) |
| Media services | 296,953 | 296,953 | 124,904 | 172,049 |
| Office of the principal | 1,130,143 | 1,130,143 | 1,033,430 | 96,713 |
| Total instruction costs | $ 14,538,752 | $ 14,698,841 | $ 14,356,623 | $ 342,218 |
| Operating costs: | | | | |
| Administration, attendance and health services | $ 732,985 | $ 732,985 | $ 773,435 | $ (40,450) |
| Pupil transportation | 1,866,600 | 1,866,600 | 1,827,877 | 38,723 |
| Operation and maintenance of school plant | 2,326,822 | 2,326,822 | 2,273,154 | 53,668 |
| School food service and other non-instructional | - | - | 1,325 | (1,325) |
| Total operating costs | $ 4,926,407 | $ 4,926,407 | $ 4,875,791 | $ 50,616 |
| Total education | $ 19,465,159 | $ 19,625,248 | $ 19,232,414 | $ 392,834 |
| Capital projects: | | | | |
| Technology | $ 826,500 | $ 1,030,480 | $ 987,627 | $ 42,853 |
| Total capital projects | $ 826,500 | $ 1,030,480 | $ 987,627 | $ 42,853 |
| Total School Operating Fund | $ 20,291,659 | $ 20,655,728 | $ 20,220,041 | $ 435,687 |
| **Special Revenue Fund:** | | | | |
| **School Cafeteria Fund:** | | | | |
| Education: | | | | |
| School food services: | | | | |
| Administration of school food program | $ 1,217,640 | $ 1,217,640 | $ 1,142,958 | $ 74,682 |
| Total school food services | $ 1,217,640 | $ 1,217,640 | $ 1,142,958 | $ 74,682 |
| Total School Cafeteria Fund | $ 1,217,640 | $ 1,217,640 | $ 1,142,958 | $ 74,682 |
| **School Capital Projects Fund:** | | | | |
| Capital projects: | | | | |
| Transportation | $ 76,000 | $ 76,000 | $ 75,992 | $ 8 |
| Total School Capital Projects Fund | $ 76,000 | $ 76,000 | $ 75,992 | $ 8 |
| Total Discretely Presented Component Unit - School Board | $ 21,585,299 | $ 21,949,368 | $ 21,438,991 | $ 510,377 |

# Statistical Information

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 1**

Government-Wide Expenses by Function
Last Ten Fiscal Years

| Fiscal Year | General Government Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education | Parks, Recreation, and Cultural | Community Development | Interest on Long-Term Debt | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 2004-05 | $ 1,247,569 | $ 732,751 | $ 4,145,804 | $ 1,092,765 | $ 2,430,134 | $ 5,068,083 | $ 247,577 | $ 660,584 | $ 496,403 | $ 16,121,670 |
| 2005-06 | 1,473,689 | 599,130 | 4,811,739 | 1,187,597 | 2,510,174 | 5,253,988 | 256,960 | 823,763 | 581,867 | 17,498,907 |
| 2006-07 | 1,330,260 | 692,541 | 5,324,896 | 1,319,385 | 3,016,582 | 9,541,387 | 383,300 | 1,513,809 | 616,612 | 23,738,772 |
| 2007-08 | 1,319,368 | 785,654 | 5,659,559 | 1,680,903 | 3,301,226 | 5,426,767 | 411,754 | 2,010,158 | 596,920 | 21,192,309 |
| 2008-09 | 1,370,787 | 927,890 | 5,322,982 | 1,566,564 | 3,254,460 | 5,831,744 | 330,017 | 800,234 | 588,556 | 19,993,234 |
| 2009-10 | 1,429,532 | 894,337 | 5,412,405 | 1,382,358 | 3,076,860 | 4,891,976 | 265,889 | 1,025,792 | 616,328 | 18,995,477 |
| 2010-11 | 1,515,442 | 894,951 | 5,981,996 | 1,280,851 | 2,643,064 | 5,569,047 | 250,217 | 1,147,135 | 532,083 | 19,814,786 |
| 2011-12 | 1,667,583 | 908,493 | 6,640,400 | 1,309,329 | 2,532,222 | 6,023,084 | 300,369 | 838,812 | 485,231 | 20,705,523 |
| 2012-13 | 1,505,451 | 1,312,334 | 6,574,329 | 1,408,843 | 2,465,150 | 5,871,279 | 252,293 | 1,570,574 | 519,431 | 21,479,684 |
| 2013-14 | 1,648,242 | 1,414,529 | 6,487,385 | 1,339,319 | 2,659,973 | 5,063,297 | 259,810 | 3,813,096 | 800,519 | 23,486,170 |

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 2**

Government-Wide Revenues
Last Ten Fiscal Years

| | PROGRAM REVENUES | | | GENERAL REVENUES | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes (2) | Unrestricted Investment Earnings | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs (1) | Total |
| 2004-05 | $ 2,909,245 | $ 4,148,344 | $ 411,918 | $ 6,542,984 | $ 1,870,637 | $ 392,989 | $ 111,069 | $ 1,350,743 | $ 17,737,929 |
| 2005-06 | 2,904,373 | 4,545,250 | 65,322 | 6,869,965 | 1,904,098 | 600,477 | 228,710 | 1,481,865 | 18,600,060 |
| 2006-07 | 2,723,571 | 5,471,611 | 1,765,162 | 7,723,222 | 1,951,691 | 794,111 | 189,531 | 1,496,948 | 22,115,847 |
| 2007-08 | 2,803,425 | 6,154,520 | 187,078 | 8,016,442 | 1,981,875 | 696,593 | 160,996 | 1,467,859 | 21,468,788 |
| 2008-09 | 2,379,898 | 5,526,714 | 133,650 | 8,463,615 | 1,871,159 | 448,917 | 92,902 | 1,348,089 | 20,264,944 |
| 2009-10 | 1,981,025 | 5,287,025 | 504,478 | 8,072,614 | 1,379,830 | 348,240 | 782,103 | 1,788,640 | 20,143,955 |
| 2010-11 | 1,635,484 | 4,778,782 | 919,646 | 8,046,938 | 1,412,931 | 312,468 | 50,387 | 1,744,141 | 18,900,777 |
| 2011-12 | 1,503,878 | 4,718,374 | 494,966 | 8,010,380 | 1,467,078 | 292,678 | 281,809 | 1,755,401 | 18,524,564 |
| 2012-13 | 1,867,072 | 4,018,912 | 1,011,564 | 9,372,346 | 1,619,833 | 203,654 | 88,291 | 1,788,436 | 19,970,108 |
| 2013-14 | 1,630,651 | 4,160,447 | 392,015 | 9,313,663 | 4,033,028 | 122,685 | 213,594 | 1,867,531 | 21,733,614 |

(1) Beginning in 2010, communication taxes have been reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.
(2) In FY14, sales tax increased due to construction of a new Dominion Virginia power plant.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 3**

General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

| Fiscal Year | General Government Admini-stration | Judicial Admini-stration | Public Safety | Public Works | Health and Welfare | Education (3) | Parks, Recreation, and Cultural | Community Development (4) | Debt Service | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 2004-05 | $ 1,160,328 | $ 451,915 | $ 3,647,888 | $ 1,141,835 | $ 2,396,214 | $ 21,256,911 | $ 227,926 | $ 298,670 | $ 686,073 | $ 31,267,760 |
| 2005-06 | 1,221,178 | 598,425 | 4,191,306 | 1,341,660 | 2,462,198 | 22,637,980 | 238,632 | 283,822 | 823,985 | 33,799,186 |
| 2006-07 | 1,199,509 | 687,288 | 4,772,179 | 1,401,541 | 2,993,062 | 23,166,142 | 344,169 | 365,416 | 995,253 | 35,924,559 |
| 2007-08 | 1,260,123 | 782,040 | 5,197,678 | 1,622,938 | 3,264,597 | 24,422,278 | 339,565 | 398,095 | 1,408,253 | 38,695,567 |
| 2008-09 | 1,309,575 | 928,539 | 5,017,772 | 1,547,560 | 3,237,850 | 25,282,253 | 296,089 | 428,625 | 1,387,401 | 39,435,664 |
| 2009-10 | 1,255,432 | 894,764 | 5,101,718 | 1,431,581 | 3,053,689 | 23,596,168 | 238,501 | 427,517 | 1,444,735 | 37,444,105 |
| 2010-11 | 1,348,003 | 896,962 | 5,574,081 | 1,348,001 | 2,631,734 | 24,699,739 | 218,762 | 324,396 | 1,397,425 | 38,439,103 |
| 2011-12 | 1,477,604 | 911,170 | 5,588,300 | 1,404,443 | 2,503,135 | 22,001,800 | 240,993 | 361,338 | 1,373,722 | 35,862,505 |
| 2012-13 | 1,368,274 | 1,314,772 | 5,008,806 | 1,487,373 | 2,436,281 | 21,755,135 | 221,149 | 358,448 | 1,337,326 | 35,287,564 |
| 2013-14 | 1,426,940 | 1,413,644 | 6,342,689 | 1,686,456 | 2,649,948 | 21,482,142 | 233,274 | 3,687,442 | 1,764,803 | 40,687,338 |

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Beginning in 2014, includes contributions, equipment purchases, and debt service reported in the capital projects funds.
(3) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
(4) In FY14, the County issued debt to fund the IDA's Rt 58 water/wastewater line project. Although the County funded the project, the IDA owns the lines.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 4**

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

| Fiscal Year | General Property Taxes | Other Local Taxes (3,4) | Permits, Privilege Fees, Regulatory Licenses | Fines and Forfeitures | Revenue from the Use of Money and Property | Charges for Services | Miscellaneous | Recovered Costs | Inter-governmental (2,3) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 2004-05 | $ 6,570,334 | $ 1,870,637 | $ 103,517 | $ 251,027 | $ 261,906 | $ 2,822,798 | $ 509,199 | $ 155,780 | $ 22,576,072 | $ 35,121,270 |
| 2005-06 | 6,854,397 | 1,904,098 | 115,644 | 286,863 | 466,711 | 2,771,062 | 605,483 | 174,231 | 24,007,706 | 37,186,195 |
| 2006-07 | 7,780,851 | 1,951,691 | 99,410 | 268,598 | 604,441 | 2,648,431 | 502,127 | 185,972 | 27,257,360 | 41,298,881 |
| 2007-08 | 8,066,496 | 1,981,875 | 85,788 | 421,430 | 543,245 | 2,571,285 | 539,261 | 189,174 | 25,447,367 | 39,845,921 |
| 2008-09 | 8,386,280 | 1,871,159 | 78,578 | 419,180 | 384,480 | 2,126,721 | 472,789 | 333,620 | 26,024,679 | 40,097,486 |
| 2009-10 | 8,088,105 | 1,379,830 | 76,739 | 380,180 | 289,642 | 1,752,448 | 526,295 | 404,534 | 25,563,454 | 38,461,227 |
| 2010-11 | 7,995,039 | 1,412,931 | 76,377 | 635,918 | 310,585 | 1,148,754 | 642,979 | 253,204 | 25,462,062 | 37,937,849 |
| 2011-12 | 8,025,149 | 1,467,078 | 114,407 | 771,660 | 264,789 | 849,972 | 774,927 | 251,681 | 23,193,175 | 35,712,838 |
| 2012-13 | 9,303,220 | 1,619,833 | 66,134 | 1,110,627 | 194,120 | 909,191 | 548,676 | 261,208 | 22,765,047 | 36,778,056 |
| 2013-14 | 9,338,344 | 4,033,028 | 88,964 | 908,216 | 117,282 | 845,321 | 649,235 | 277,405 | 22,549,870 | 38,807,665 |

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
(3) Beginning in 2010, communication taxes have been reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.
(4) In FY14, sales tax increased due to construction of a new Dominion Virginia power plant.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 5**

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy (1) | Current Tax Collections (1) | Percent of Levy Collected | Delinquent Tax Collections (1) | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes (1,2) | Percent of Delinquent Taxes to Tax Levy |
|---|---|---|---|---|---|---|---|---|
| 2004-05 | $ 7,733,735 | $ 7,550,922 | 97.64% | $ 106,029 | $ 7,656,951 | 99.01% | $ 333,456 | 4.31% |
| 2005-06 | 8,149,888 | 7,929,314 | 97.29% | 95,657 | 8,024,971 | 98.47% | 287,844 | 3.53% |
| 2006-07 | 8,994,393 | 8,651,805 | 96.19% | 336,306 | 8,988,111 | 99.93% | 318,420 | 3.54% |
| 2007-08 | 9,317,543 | 8,948,056 | 96.03% | 309,381 | 9,257,437 | 99.35% | 317,464 | 3.41% |
| 2008-09 | 9,633,174 | 9,437,522 | 97.97% | 136,923 | 9,574,445 | 99.39% | 323,568 | 3.36% |
| 2009-10 | 9,389,459 | 9,177,332 | 97.74% | 108,565 | 9,285,897 | 98.90% | 367,103 | 3.91% |
| 2010-11 | 9,261,403 | 9,083,454 | 98.08% | 109,938 | 9,193,392 | 99.27% | 373,747 | 4.04% |
| 2011-12 | 9,300,497 | 9,073,096 | 97.55% | 138,985 | 9,212,081 | 99.05% | 366,258 | 3.94% |
| 2012-13 | 10,563,964 | 10,286,914 | 97.38% | 179,496 | 10,466,410 | 99.08% | 410,941 | 3.89% |
| 2013-14 | 10,593,557 | 10,343,239 | 97.64% | 167,216 | 10,510,455 | 99.22% | 467,661 | 4.41% |

(1) Exclusive of penalties and interest.
(2) Includes three most current delinquent tax years.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 6**

Assessed Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Estate (1) | Personal Property and Mobile Homes (1) | Machinery and Tools | Merchants Capital | Public Utility (2) | Total |
|---|---|---|---|---|---|---|
| 2004-05 | $ 654,687,815 | $ 99,195,340 | $ 10,507,740 | $ 8,685,280 | $ 40,328,658 | $ 813,404,833 |
| 2005-06 | 670,211,150 | 108,321,710 | 11,915,210 | 7,897,170 | 35,850,669 | 834,195,909 |
| 2006-07 | 1,198,603,348 | 115,501,239 | 12,466,790 | 8,477,320 | 51,829,901 | 1,386,878,598 |
| 2007-08 | 1,227,726,495 | 120,564,560 | 13,807,890 | 8,712,840 | 47,720,737 | 1,418,532,522 |
| 2008-09 | 1,244,248,352 | 126,789,950 | 14,987,150 | 9,976,970 | 43,558,835 | 1,439,561,257 |
| 2009-10 | 1,255,809,406 | 116,649,080 | 15,126,730 | 13,329,680 | 47,733,432 | 1,448,648,328 |
| 2010-11 | 1,263,512,522 | 112,972,160 | 14,783,740 | 10,413,170 | 51,317,760 | 1,452,999,352 |
| 2011-12 | 1,270,891,564 | 113,532,430 | 13,964,740 | 10,930,340 | 55,063,974 | 1,464,383,048 |
| 2012-13 | 1,277,151,565 | 107,764,740 | 14,557,930 | 14,334,730 | 60,752,103 | 1,474,561,068 |
| 2013-14 | 1,283,649,442 | 108,030,830 | 13,688,110 | 14,602,910 | 63,772,289 | 1,483,743,581 |

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 7**

Property Tax Rates (1)
Last Ten Fiscal Years

| Fiscal Year | Real Estate | Mobile Homes | Personal Property | Machinery and Tools | Merchant's Capital |
|---|---|---|---|---|---|
| 2004-05 | $ 0.60 | $ 0.60 | $ 3.40 | $ 3.40 | $ 1.20 |
| 2005-06 | 0.60 | 0.60 | 3.40 | 3.40 | 1.20 |
| 2006-07 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2007-08 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2008-09 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2009-10 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2010-11 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2011-12 | 0.39 | 0.39 | 3.40 | 3.40 | 1.20 |
| 2012-13 | 0.47 | 0.47 | 3.60 | 3.40 | 1.20 |
| 2013-14 | 0.47 | 0.47 | 3.60 | 3.40 | 1.20 |

(1) Per $100 of assessed value.

**COUNTY OF BRUNSWICK, VIRGINIA** **Table 8**

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Assessed Value (in thousands) (2) | Gross Bonded Debt (3) | Less: Debt Service Monies Available | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|---|---|---|---|---|---|---|---|
| 2004-05 | 18,300 | 813,405 | $ 6,440,777 | - | $ 6,440,777 | 0.79% | 352 |
| 2005-06 | 18,222 | 834,196 | 6,188,503 | - | 6,188,503 | 0.74% | 340 |
| 2006-07 | 18,636 | 1,386,879 | 11,694,753 | - | 11,694,753 | 0.84% | 628 |
| 2007-08 | 18,516 | 1,418,533 | 10,945,036 | - | 10,945,036 | 0.77% | 591 |
| 2008-09 | 18,263 | 1,439,561 | 10,160,699 | - | 10,160,699 | 0.71% | 556 |
| 2009-10 | 18,505 | 1,448,648 | 9,352,824 | - | 9,352,824 | 0.65% | 505 |
| 2010-11 | 17,434 | 1,452,999 | 8,520,159 | - | 8,520,159 | 0.59% | 489 |
| 2011-12 | 17,400 | 1,464,383 | 9,191,681 | - | 9,191,681 | 0.63% | 528 |
| 2012-13 | 17,395 | 1,474,561 | 11,363,146 | - | 11,363,146 | 0.77% | 653 |
| 2013-14 | 17,275 | 1,483,744 | 15,579,759 | - | 15,579,759 | 1.05% | 902 |

(1) Weldon Cooper Center for Public Service at the University of Virginia - July 1 estimate.
(2) Real property assessed at 100% of fair market value.
(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes landfill closure/postclosure care liability, capital lease, QZABs, and compensated absences.

# Compliance

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## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**The Honorable Members of**
**The Board of Supervisors**
**County of Brunswick, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Brunswick, Virginia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise County of Brunswick, Virginia's basic financial statements and have issued our report thereon dated December 5, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Brunswick, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Brunswick, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Brunswick, Virginia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Brunswick, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 5, 2014

**Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133**

**The Honorable Members of**
**The Board of Supervisors**
**County of Brunswick, Virginia**

**Report on Compliance for Each Major Federal Program**

We have audited County of Brunswick, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Brunswick, Virginia's major federal programs for the year ended June 30, 2014. County of Brunswick, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Brunswick, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Brunswick, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Brunswick, Virginia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, County of Brunswick, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control over Compliance**

Management of County of Brunswick, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Brunswick, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Brunswick, Virginia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 5, 2014

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | | Federal Expenditures |
|---|---|---|---|---|
| Department of Health and Human Services: | | | | |
| Pass Through Payments: | | | | |
| The Improvement Association: | | | | |
| Head Start | 93.600 | Unknown | | $ 104,718 |
| Virginia Department of Social Services: | | | | |
| Promoting Safe and Stable Families | 93.556 | 950113 | | 11,157 |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 0400113/0400114 | | 258,713 |
| Refugee and Entrant Assistance - State Administered Programs | 93.566 | 0500113/0500114 | | 1,332 |
| Low-Income Home Energy Assistance | 93.568 | 0600413/0600414 | | 25,797 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760113/0760114 | | 34,896 |
| Chafee Education and Training Vouchers Program | 93.599 | 9160113 | | 1,563 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900113/0900114 | | 1,722 |
| Foster Care - Title IV-E | 93.658 | 1100113/1100114 | | 77,991 |
| Adoption Assistance | 93.659 | 1120113/1120114 | | 36,709 |
| Social Services Block Grant | 93.667 | 1000113/1000114 | | 186,474 |
| Chafee Foster Care Independence Program | 93.674 | 9150113/ 9150114 | | 2,450 |
| Children's Health Insurance Program | 93.767 | 0540113/0540114 | | 6,646 |
| Medical Assistance Program | 93.778 | 1200113/1200114 | | 198,490 |
| Total Department of Health and Human Services | | | | $ 948,658 |
| Department of Agriculture: | | | | |
| Pass Through Payments: | | | | |
| Virginia Department of Agriculture and Consumer Services: | | | | |
| Food Distribution (Child Nutrition Cluster) | 10.555 | 406230 | $ 72,261 | |
| Virginia Department of Education: | | | | |
| National School Lunch Program (Child Nutrition Cluster) | 10.555 | 406230 | 576,828 | $ 649,089 |
| Virginia Department of Agriculture and Consumer Services: | | | | |
| Food Distribution--Summer Feeding Program (Child Nutrition Cluster) | 10.559 | Unknown | $ 692 | |
| Virginia Department of Education: | | | | |
| Summer Food Service Program for Children (Child Nutrition Cluster) | 10.559 | Unknown | 22,637 | 23,329 |
| Virginia Department of Education: | | | | |
| School Breakfast Program (Child Nutrition Cluster) | 10.553 | 405910 | | 224,088 |
| Fresh Fruit and Vegetable Program | 10.582 | 405990 | | 58,948 |
| Virginia Department of Social Services: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0010113/ 0010114/0040113/ 0040114/0050113/0050114 | | 232,422 |
| Total Department of Agriculture | | | | $ 1,187,876 |

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | | Federal Expenditures |
|---|---|---|---|---|
| Department of Defense: | | | | |
| Direct Payments: | | | | |
| ROTC | 12.000 | N/A | | $ 64,116 |
| Department of Housing and Urban Development: | | | | |
| Pass Through Payments: | | | | |
| Department of Housing and Community Development: | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | B-04-DC-51-0001 and two others unknown | | $ 138,453 |
| Department of Justice: | | | | |
| Pass Through Payments: | | | | |
| Department of Criminal Justice Services: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 13-O1126LO12 | $ 1,423 | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 14-A2958BY10 | 31,500 | 32,923 |
| Department of Homeland Security: | | | | |
| Pass Through Payments: | | | | |
| Department of Emergency Management: | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | 25-99025-00 | | $ 2,942 |
| Department of Transportation: | | | | |
| Pass Through Payments: | | | | |
| Virginia Department of Transportation: | | | | |
| Highway Planning and Construction | 20.205 | SB10-012-VA1 | | $ 128,699 |
| Department of Treasury: | | | | |
| Pass Through Payments: | | | | |
| Office of Attorney General: | | | | |
| Asset Forfeiture | 21.000 | N/A | | $ 8,119 |
| Environmental Protection Agency: | | | | |
| Pass Through Payments: | | | | |
| Department of Conservation and Recreation: | | | | |
| Nonpoint Source Implementation Grant | 66.460 | SWM-2012-P34 | | $ 8,500 |
| Department of Education: | | | | |
| Pass Through Payments: | | | | |
| Virginia Department of Education: | | | | |
| Title I - Grants to Local Educational Agencies | 84.010 | 429010/482920 | | $ 626,498 |
| Special Education - Grants to States (IDEA, Part B) (Special Education Cluster) | 84.027 | 430710 | | 499,876 |
| Career and Technical Education - Basic Grants to States (Perkins IV) | 84.048 | 610950 | | 39,509 |
| Special Education - Preschool Grants (IDEA Preschool) (Special Education Cluster) | 84.173 | 625210 | | 9,808 |
| Advanced Placement Program | 84.330 | 609570 | | 45 |
| Rural Education | 84.358 | 434810 | | 42,518 |
| Improving Teacher Quality State Grants | 84.367 | 614800 | | 152,771 |
| 1003g School Improvement Grant | 84.377 | 430400 | | 36,231 |
| Total Department of Education | | | | $ 1,407,256 |
| Total Expenditures of Federal Awards | | | | $ 3,927,542 |

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of County of Brunswick, Virginia under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of County of Brunswick, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Brunswick, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

| | | |
|---|---|---|
| Intergovernmental federal revenues per the basic financial statements: | | |
| Primary government: | | |
| General Fund | $ | 96,029 |
| Special Revenue Funds: | | |
| Virginia Public Assistance Fund | | 1,022,906 |
| CSA Fund | | 9,911 |
| Debt Service Funds: | | |
| Debt Service Fund | | 60,343 |
| Capital Projects Funds: | | |
| County Capital Improvements Fund | | 267,152 |
| Total primary government | $ | 1,456,341 |
| Component Unit School Board: | | |
| School Operating Fund | $ | 1,576,090 |
| School Cafeteria Fund | | 955,454 |
| Total component unit School Board | $ | 2,531,544 |
| Total federal expenditures per basic financial statements | $ | 3,987,885 |
| Reconciling Items: | | |
| Federal interest subsidy | $ | (60,343) |
| Total reconciling items | $ | (60,343) |
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | $ | 3,927,542 |

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

## SECTION I - SUMMARY OF AUDITORS' RESULTS

### Financial Statements

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Noncompliance material to financial statements noted? | No |

### Federal Awards

| | |
|---|---|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |

Identification of major programs:

| CFDA # | Name of Federal Program or Cluster |
|---|---|
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 84.010 | Title I - Grants to Local Educational Agencies |
| 93.558 | Temporary Assistance for Needy Families (TANF) |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $300,000 |
| Auditee qualified as low-risk auditee? | Yes |

## SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to report.

## SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings and questioned costs to report.

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014

There were no findings reported for the year ended June 30, 2013.

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